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## **Estimated Market for Tuberculosis Drugs at \$700 million by 2010**

First analysis of the market in 30 years

Partnerships advocated to develop new drugs within the decade

**New York-Brussels** -- Fueled by the growing tuberculosis epidemic, the market for drugs to treat TB will approach \$700 million by 2010, according to a new report issued by the Global Alliance for TB Drug Development, a non-profit organization created to develop new TB drugs. Tuberculosis, which is easily transmitted through the air, infects a third of the world's population (1.9 billion people), takes the lives of two million each year, and is increasingly resistant to existing drugs. The study advocates partnerships to link investors and laboratories in the public and private sectors in order to ensure the development of new drugs.

“With one person dying every 15 seconds from TB, we must develop new drugs or we will ultimately lose the battle,” said Dr. Maria Freire, the CEO of the Global Alliance for TB Drug Development. “When only 23 percent of TB patients are properly treated and resistance is on the rise, we must do better. New drugs that would shorten treatment for both active and latent forms as well as treat multi-drug resistant strains are ‘must-haves’ to win the fight against this global epidemic.”

The report, entitled *The Economics of TB Drug Development*, estimates that the current market for TB drugs is \$450 million -- with 67 percent representing private sales. It is expected to grow by more than 50 percent within the decade. A single, new anti-TB drug that reduces the treatment course from six months to less than two months will capture about \$325 million of the market. This could expand to more than \$400 million, because of the premium some markets may be willing to pay for a shortened treatment course.

“The market is larger than previously thought, primarily in the hands of private providers, and promises to become more accessible over time, because of a series of recent global efforts to improve access,” said Dr. Giorgio Roscigno, Director of Strategic Development and Chair of the Economics Report Committee. “A close look reveals a market that both requires partnerships to move R&D and warrants public investment, given the tremendous social benefits of new drugs.”

The development costs are estimated at approximately \$100 million, including costs of failure but excluding discovery costs and costs of capital. The report concludes that the internal rate of return for bringing a lead compound to market ranges between 15 to 30 percent.

The report highlights the returns on investment promised by new drugs, especially in public health. A new drug that reduces treatment duration may lower non-drug costs such as sputum smears, X-rays and hospital stays, by up to 65 percent. The costs of treating a single TB case vary widely around the world, but often exceed \$25,000 per patient in the United States.

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### **Stimulating R&D through partnerships**

With new scientific advances, such as the sequencing of the *M. tuberculosis* genome and the use of combinatorial chemistry, a number of valuable innovations and ideas can be leveraged. Recognizing the low likelihood of a single industry player pursuing the development of an anti-TB drug, the report suggests that partnerships are the best strategy for results-oriented R&D of TB drugs.

“We believe scientific and research activity has yielded a handful of compounds that have not yet moved off the shelf, because the market was misunderstood or was too modest for large firms to invest,” said Dr. Roscigno. “Our findings demystify the stumbling blocks, provide solid data on the market, and reveal how partnerships speed up the development process and distribute the risks.”

“Within the last five years, there has been an increasing recognition that the market for diseases such as TB deserves more attention, and the way to leverage it is through partnerships,” said Dr. John Horton, Director of Clinical Strategy for Diseases of the Developing World at GlaxoSmithKline. “This report provides much needed data to incentivize this process for TB.”

Dr. Freire adds, “The Global Alliance offers industry an incentive by forging partnerships among diverse players. We will capitalize on the research underway in public labs, biotech companies and pharmaceutical firms so that existing compounds move along the R&D cycle quickly and deliver affordable drugs.”

“The report embodies the spirit of an unprecedented level of global commitment and cooperation to treat, control, and eliminate TB,” said Dr. Ariel Pablos-Mendez, Associate Director for Health Equity at the Rockefeller Foundation. “In both developed and developing nations, in private and public research institutes, there is an opportunity to turn this commitment into a solution by creating new drugs to fight tuberculosis. By outlining the partnership advantages and the strategic role of the Global Alliance, this report paves the way.”

### **A year of operations for the Global Alliance for TB Drug Development**

Marking its one-year anniversary, the Global Alliance for TB Drug Development has worked towards its goal of accelerating the development of new medicines and ensuring equitable access to improved TB treatments. In addition to this report, a companion strategic research study, entitled *The Scientific Blueprint for TB Drug Development*, acts as a road map for accelerated drug development by identifying the critical issues from research to registration and approval.

The Global Alliance has been reviewing promising drug research in public and private sector labs worldwide to identify potential partners for the development of new drugs. It is currently in negotiations with public and academic research centers as well as biotech and pharmaceutical firms for five separate compounds at the lead optimization phase and the pre-clinical stage.

The *Economics of TB Drug Development* was developed in cooperation with the Research Triangle Institute, and with the support of the Rockefeller Foundation and the NIAID at the National Institutes of Health. For the full report and names of contributors, please visit [www.tballiance.org](http://www.tballiance.org).

*The Global Alliance for TB Drug Development operates as a not-for-profit, public-private partnership with offices in Brussels, Cape Town, and New York. The mission of the Global Alliance is to accelerate the discovery and/or development of affordable new TB drugs that will shorten treatment, be effective against multi-drug resistant TB, and improve treatment of latent TB infection. The Global Alliance functions as a lean, virtual R&D organization that outsources R&D projects to public labs or industry. Its R&D strategy is to build a portfolio of promising drug candidates managed through cooperative deals with public and private partners. For specific investments, the Global Alliance will also consider providing staged funding and expert scientific and management guidance.*

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