

UNCTAD World Investment Forum 2018

**UNCTAD-WHO Event on Fostering investment in the development of new
antibacterial treatments**

Statement by Isabelle Durant, Deputy Secretary-General of UNCTAD

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AS PREPARED FOR DELIVERY

Minister Madigele,
Minister Filipche,
Dr. Guerra,
Excellencies,
Ladies and Gentlemen,

It is my great pleasure to welcome you, on behalf of UNCTAD, to this event on “Fostering investment in the development of new antibacterial treatments”. Let me express my gratitude to WHO for their partnership in the organization of this discussion.

The issue we are focusing on today is one of pressing importance for developing and developed countries: the growing resistance of bacteria to antibiotics and other antibacterial treatments. Antimicrobial resistance — or AMR — increasingly undermines the success of important surgical interventions, ranging from simple surgeries to limb replacements and cancer chemotherapy.

According to European Union and United States Government sources, healthcare-associated infections, which are mainly caused by antibiotic-resistant bacteria, are estimated to cause 37,000 deaths each year in the European Union and 23,000 in the United States. The World Bank estimates economic losses caused by rising AMR to range from 1.1 to 3.8 percent of global GDP by 2050, with low-income countries being more affected than high-income countries.

AMR is not only a global health problem. It is equally an investment problem, and this is the angle we wish to take in today’s discussion. The main issue here is a lack of incentives for the private sector to engage in AMR-related research and development. The need to use antimicrobials rationally to avoid the

development of resistance seriously limits a product developer's expected return on investment. Antimicrobial R&D is mainly carried out by biotech-oriented small and medium-sized enterprises, which face difficulties in attracting the needed investment. One of the reasons for this are national pricing schemes that do not take account of the public health value of new antimicrobials, such as reduced times for treatment and hospitalization, and the economic value of preventing infections in the first place.

What can be done to address this situation? Action at two levels is needed.

- **First**, it is important to find more investors to assist AMR researchers in their R&D. We are very pleased to have with us today a number of investors that are engaged in the fight against AMR. While innovative public funding mechanisms have generated remarkable success, concern has been voiced that public sector funding alone will be insufficient to address the entire product life cycle from upstream R&D to clinical trials and patient stewardship. For this reason, UNCTAD and WHO wish to reach out to non-governmental, private sector impact investors to discuss how to complement existing public funding schemes. We also wish to involve in this discussion non-traditional investors such as health insurers, re-insurers and hospital owners, who have an economic interest in reducing resistances.
- **Second**, we need to design appropriate investment incentives systems that reconcile the industry's need for return on investment with the need to make essential antimicrobials accessible to patients, especially in developing countries.

UNCTAD is pleased that the World Investment Forum can serve as a platform for informal exchange among AMR stakeholders, and happy to facilitate any follow up with investors and product developers on potential partnerships. We are also ready to contribute our expertise in investment policy making to a broader debate on appropriate incentive regimes to encourage research and development to fight AMR, in cooperation with UN sister agencies.

I look forward to hearing your insights and experience on this complex issue, and to a fruitful debate.

Thank you.