



Third World Network



OPEN LETTER

Malaysia Should Reject European Union Intellectual Property Demands that Prolong Monopolies and Increase Medicine Prices

Penang, 7 June 2026 – Civil society organizations have warned the Malaysian Government that intellectual property (IP) proposals being tabled by the European Union (EU) will weaken Malaysia's generic industry, undermine competition and increase prices of pharmaceutical products in Malaysia.

The fourth round of negotiations is expected to take place on 9-12 June 2026, according to information made available by the EU.ⁱ

46 civil society organizations from Malaysia and around the world, in a letter addressed to the Minister of Investment, Trade and Industry, the Minister of Health and the Minister of Domestic Trade and Cost of Living, called on the Malaysian Government to reject all IP obligations that go beyond the minimum standards set out in the World Trade Organization (WTO) Agreement on Trade Related Aspects of Intellectual Property Rights (commonly known as the 'TRIPS Agreement')

Civil society organizations also called for greater transparency and accountability as well as meaningful consultations on issues and proposals being discussed in each negotiation round, in view of the potential negative impact on legitimate market competition, the domestic generic industry and access to affordable pharmaceutical products for the *rakyat*.

Signatories to the letter include the Consumers' Association of Penang (CAP), the Federation of Malaysian Consumers Associations (FOMCA), Prostate Cancer Society Malaysia, Together Against Cancer, Malaysian Treatment Access & Advocacy Group, Third World Network, Médecins Sans Frontières, Health Action International (Netherlands), Salud por Derecho (Spain), the Peoples' Health Movement (international) and BUKO Pharma-Kampagne (Germany).

Among others, the EU is demanding for extension of the patent term beyond the standard 20-year duration, exclusive rights over the clinical data including data in the public domain, additional market exclusivity over medicinal products, expansive trade secret protection and excessive border enforcement activities over the goods suspected of infringing IP over imports, exports and goods in transit.

These types of measures are well known to prolong pharmaceutical monopolies, delay generic competition, increase healthcare costs, and undermine public health, medical industrial development, and other national policy objectives.

The experience with Hepatitis C virus (HCV) treatment clearly illustrates why Malaysia should not agree to EU demands. In 2016, the originator HCV treatment was sold in Europe for approximately

€50,000 for a 12-week course, generic competition effectively blocked until 2024, due to its extensive data and market exclusivity protections.ⁱⁱ In contrast, in 2017, Malaysia issued a government-use licence and used available public health safeguards to facilitate access to generic versions of HCV treatments from Egypt for less than US\$300 per treatment course, enabling the Government to roll out free HCV treatment through public hospitals. This dramatically expanded access and improved public health outcomes as the Ministry of Health can now provide free HCV treatment. By drastically reducing the cost of HCV treatment, Malaysia has paved a pathway to achieve WHO's target of eliminating HCV by 2030.

Further, even within the EU, prices of pharmaceutical products in countries that implement patent term extension is far higher than those that do not. For example, truvada used for the treatment and prevention of HIV, reportedly costs around €30 in the Netherlands (which did not grant patent term extension) to approximately €800 in Switzerland, where patent term extension is applicable.ⁱⁱⁱ

Studies have also highlighted that additional layers of IP, beyond WTO standards, do not necessarily incentivise R&D even in Europe.

Civil society organizations also cautioned the need for the Malaysian Government to ensure availability of broad exceptions to trade secret protections to compel disclosure in the public interest including to provide timely access to affordable pharmaceutical products.

The letter recalls that during the COVID-19 pandemic, several major manufacturers refused to disclose critical manufacturing trade secrets and know-how to prevent competition, despite being unable to meet global demand for essential health products. For e.g. in Netherlands, Roche was only able to supply 30% of the orders and yet refused to release its secret recipe for a solution used in its COVID-19 tests. Only after Roche was threatened with investigation by the EU Competition Commission, Roche quickly agreed to share the recipe with the government.^{iv}

The letter highlights that the Malaysian Government has identified the generic pharmaceutical industry as a strategic priority under its New Industrial Master Plan 2030, which seeks to strengthen the industry in order to improve the affordability and accessibility of medicines, enhance national self-sufficiency, support domestic economic development, and reduce the country's pharmaceutical trade deficit. At the same time, Malaysia has adopted important public health policies aimed at facilitating access to affordable medicines, including the National Generic Medicines Framework, which is grounded in the Malaysian National Medicines Policy and promotes the use of quality-assured generic medicines.

“Accepting EU's unjustified demands on IP, is incompatible with Malaysia's industrial and public health strategies as well as national security. Other developing countries such as India have successfully resisted these demands, MITI and the Domestic Trade Ministry responsible for IP should do their homework and resist the EU's proposals that go beyond the WTO-TRIPS Agreement and are against national interest”, said Chee Yoke Ling, Executive Director of Third World Network.

"High prices of pharmaceutical products is a persistent challenge for Malaysians. Patients pay high out-of-pocket costs while the government must allocate substantial resources, constraining public health spending. If the Malaysian Government agrees to any of the EU's demands that prolong or expand pharmaceutical monopolies, it would be a disservice to the *rakyat*, especially given the many concerns about the sustainability of pharmaceutical expenditure, and fiscal pressures facing the MOH with the recent announcement of budget cuts”, said Mageswari Sangaralingam, Chief Executive of the Consumers' Association of Penang.

“Cancer patients should not be asked to pay the price for trade deals. The EU-Malaysia FTA must not include TRIPS-plus rules that extend medicine monopolies, delay affordable generic competition, and increase the cost of life-saving treatments. For many cancer patients, timely access to affordable medicines is not a trade issue—it is a matter of survival. Malaysia must preserve its policy space to protect public health and ensure that access to treatment is never subordinated to commercial interests”, said Dr. Nur Aishah Mohd Taib, President of Together Against Cancer.

The civil society letter addressed to the Minister of Investment, Trade and Industry, the Minister of Health and the Minister of Domestic Trade and Cost of Living is available at:

English: https://twn.my/announcement/CSO%20letter_EU%20FTA_Final.pdf

Malay: https://twn.my/announcement/CSO%20letter_EU%20FTA_Final_BM.pdf

ⁱ <https://circabc.europa.eu/rest/download/10ca1b54-d672-430b-aed4-8b25b4b9c2ee>

ⁱⁱ <https://medicineslawandpolicy.org/wp-content/uploads/2019/06/European-Union-Review-of-Pharma-Incentives-Data-Exclusivity.pdf>

ⁱⁱⁱ See ‘Supplementary Protection Certificates in the European Union: Briefing Document available at <https://medicineslawandpolicy.org/wp-content/uploads/2019/06/European-Union-Review-of-Pharma-Incentives-Supplementary-Protection-Certificates.pdf>

^{iv} <https://www.ftm.eu/articles/roche-releases-recipe-after-public-pressure-while-european-commission-considers-intervention-due-to-coronavirus-test>