

# KEVIN HOLLINRAKE MP



## HOUSE OF COMMONS

LONDON SW1A 0AA

Rt Hon Matt Hancock MP  
Secretary of State for Health and Social Care  
Department of Health & Social Care  
39 Victoria Street  
London SW1H 0EU

1<sup>st</sup> November 2018

Dear Matt,

The O'Neill Review estimates that the cost of taking global action on AMR is up to 40 billion USD over a 10-year period (4 billion per annum). This includes research and development of new antibiotics, an AMR Global Innovation Fund, supporting innovative new diagnostics and vaccines, good general disease surveillance and better water and sanitation.

The review suggests three possible routes as the sources for this investment:

1. Allocating resources from existing health and economic development budgets
2. A levy on the pharmaceutical sector applied on a 'pay or play' basis, meaning companies could either pay the charge or invest in R&D that is deemed useful for AMR
3. Taxes on antibiotics

With government budgets under severe pressure and bearing in mind the lack of progress on 'pay or play' or any other market entry rewards, taxes seems to be the simplest and most effective solution. The total global market for antibiotics is around 40 billion USD of sales a year, therefore a 10% 'resistance tax' would provide the \$4bn annually of monies required to take action today. Pharmaceutical companies and research organisations could then seek monies from the resistance tax fund to pay for any research and development works in any of the above categories.

The resistance tax could be applied on a national 'point of consumption' basis initially, bolstering our reputation as world leaders on this issue. Of course, this would increase the costs of antibiotics to the NHS and farming/food producers, but the increase would be relatively modest. A typical antibiotic cost is from around £1, so the tax would be 10p; not a material change to the prescription charge of £8.80.

We would welcome your views.

Yours ever,

Kevin Hollinrake MP  
Thirsk and Malton

Rt Hon Theresa Villiers MP  
Chipping Barnet

Zac Goldsmith MP  
Richmond Park

Jeremy Lefroy MP  
Stafford

Julian Sturdy MP  
York Outer