Gilead Seeks Deals With Other Drugmakers to Boost Supply of Covid-19 Drug

The talks aim to provide supplies of the drug remdesivir to countries outside the U.S.

By Joseph Walker
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Caption: Gilead is looking to ease the logistical challenges in making enough remdesivir for coronavirus patients.
Photo: josh edelson/Agence France-Presse/Getty Images

Gilead Sciences Inc. GILD -0.15% said Tuesday it will join with other drugmakers to manufacture and sell its Covid-19 treatment remdesivir outside of the U.S., farming out production of the medicine to ensure supply meets global demand.

Gilead said it is in discussions with pharmaceutical- and chemical-manufacturing companies to license the rights to make the drug remdesivir for Europe, Asia and in the developing world through at least 2022.

The Foster City, Calif., company also said it is negotiating with drugmakers in India and Pakistan to grant them long-term licenses to sell generic copies of the drug in developing countries.

And Gilead said it is in talks with the Medicines Patent Pool, a United Nations-backed nonprofit, to license remdesivir to low-income countries.

In outsourcing remdesivir production for overseas markets, Gilead is looking to ease the logistical challenges in making enough remdesivir to satisfy what analysts predict will be high global demand.

Gilead may at the same time be able to sidestep controversy over how it prices the drug by allowing for the immediate sale of generics in low-income countries. Gilead hasn't set a price for remdesivir yet, but has said it is committed to making the drug affordable and accessible.

The arrangements would also help Gilead deter low-income nations from making the drug without its permission under the World Trade Organization's "compulsory license" rule, which allows countries to distribute generic copies of patented drugs to protect public health.

Gilead has faced pricing pressures and compulsory-license threats for other antiviral therapies.

Analysts anticipate high demand for remdesivir following the release last week of encouraging data in a clinical trial funded by the U.S. government. The preliminary study data showed patients taking remdesivir recovered faster than patients taking placebos.

Last Friday, the U.S. Food and Drug Administration granted the drug an emergency use authorization, which allows for the distribution of experimental medicines in a public health crisis.

RBC Capital Markets said in a report on Tuesday that Gilead would be able to produce 144,000 treatment courses from June through August, far short of the 400,000 patients that RBC expects to need the drug. Supply should catch up to demand starting in September, RBC said.

Gilead has said that remdesivir is a relatively complex drug to make, and the raw ingredients that compose the drug are sourced from suppliers around the world. Disruptions in the global supply chain have made some of those raw ingredients more scarce, the company has said.

"Producing the drug requires scarce raw materials, with their own lengthy production time, and specialized manufacturing capabilities with limited global capacity," Gilead said in a statement. "Any disruption to the supply chain impacting these scarce raw materials and other manufacturing inputs could reduce the amount of remdesivir produced and increase the time it takes to do so."

Gilead has said that it expects to manufacture 1.5 million doses by the end of May, or enough to treat around 190,000 patients, depending on how many days of treatment patients receive. The company has pledged to donate free the entirety of its supply manufactured through May, but hasn't yet said what it will charge for the drug after that time.

Gilead Chief Executive Daniel O'Day said during an earnings call last week that "as additional raw materials come available, we'll have an exponential increase in supplies towards the latter half of this year." By the end of 2020, Gilead hopes to have produced enough remdesivir to treat over one million patients, he said.

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