

WHOLESALE BULLETIN

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Is the OFT against 'direct-to-pharmacy'

Pfizer may have to turn back on its move to a single-distribution channel for its drugs, as preliminary findings from an ongoing Office of Fair Trading investigation are reportedly not leaning in the drug giant's favour.

According to *The Times*, OFT officials involved in the investigation into Pfizer's 'direct-to-pharmacy' model met with the Department of Health this week to share their preliminary findings. The newspaper claims that talks touched on implementing measures that would force Pfizer to ask other wholesalers to act as distributors for its products too.

Late last year, the company shocked the industry after unveiling an exclusive sup-

ply deal with Alliance Boots unit UniChem, prompting the OFT to launch a market study into the distribution of medicines in the UK in order to assess how the changes might affect competition.

Pfizer claims that the move will help it gain more control over its supply chain, leaving less room for the injection of counterfeit medicines, and drugmakers such as Sanofi-Aventis and AstraZeneca have since also announced plans to look at their distribution channels.

Strong opposition

But those against the move have voiced serious concerns about the potential effects on the wholesaling sector. One of its fiercest opponents, Steve Dunn of

AAH Pharmaceuticals, accused Pfizer, at the time it announced its new deal, of putting "its commercial interests above those of pharmacists and patients" and suggested that the change could fragment the supply chain, potentially affecting every company .



CONTRACTORS FACE RAID ON PROFITS UNDER NEW CATEGORY M CHANGES

Pharmacists could lose millions of pounds from profits under the latest changes to reimbursement prices for generics. Pharmacy was braced for the government to announce a huge cut into the category M tariff. A source close to the DH suggested the adjustment could be as much as £500 million. But the DH spokesperson said "this is not a figure that we recognise".

Bharat Shah, managing director for Sigma Pharmaceuticals estimated a more conservative figure of between £100m and £150m. "So you're talking about £10,000 a pharmacy per year, which is like £500 to £1,000 a month" Mr Shah said that might not sound a lot, "but if it happens every quarter it does eat into your profits. Obviously, the people who lose the most out of this are retailers".

Inside this issue:

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Plus more.....

Special points of interest:

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JAIL FOR LEADER OF COUNTERFEIT DRUGS SCAM

A gang leader who masterminded what is believed to be the biggest counterfeit drugs scam in British history was sentenced to four and half years in prison, earlier this month. Pills including Viagra, Cialis and Propecia were transported from places including China, India and Pakistan and were filtered for sale through licensed wholesalers to pharmacies in the UK and through internet sites in the UK and abroad.



GlaxoSmithKline's consumer health arm is looking to get the green light to sell the anti-obesity agent orlistat as an over-the-counter treatment in Europe. The firm says that its marketing application for non-prescription orlistat 60mg for weight loss has been accepted for review by the European Medicines Agency and is hopeful that the product, which is a lower-dose version of the prescription drug Xenical marketed by

New subscribers

WaveData have kindly agreed to give 100 credits for their wave-data.net live pricing information site to anyone passing on the names of colleagues who have agreed it would be interesting to receive this wholesale bulletin each month.

UK: AstraZeneca wants out of production business

According to a report in The Times, the British pharmaceuticals company AstraZeneca is planning to outsource manufacturing of its products. Its executive vice-president, David Smith, has said that AstraZeneca intends to convert into a pure R&D and marketing firm within the next ten years. Production will be contracted out to manufacturers in China and India. Currently, AstraZeneca operates 27 production sites in 19 different countries. It is unclear to what extent the outsourcing will lead to job cuts, beyond the 7600 cuts announced back in February. Only 12,000 of AstraZeneca's 66,000 employees work in the company's R&D unit.

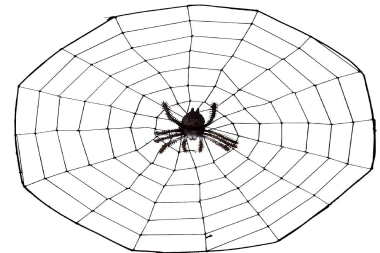
Roche, will share the same success it has enjoyed across the Atlantic. In the USA, the medicine, known as Alli, was approved in February this year for use by overweight adults in conjunction with a reduced-calorie, low-fat diet, and went on sale there in June. By the end of the second quarter, Alli, the only Food And Drug Administration-approved weight-loss product available to consumers without a prescription, had already brought

Mobile phone dangerous near hospital beds

Mobile phones should come no closer than one metre to hospital beds and equipment, according to research published in *Critical Care*. Hazardous incidents caused by phones varied from a total switch off and restart of mechanical ventilators and complete stops without alarms in syringe pumps to incor-

Actavis UK buys OTC brands...

Actavis has expanded its fledgling non-prescription business in the UK by acquiring 10 brands from fellow OTC and generics specialist Thornton & Ross for an undisclosed sum. The deal comes soon after Actavis secured the UK distribution to Hill's Balsam and Ranzac 75, while it also strengthened its UK OTC offering earlier this year by purchasing the Cynex cold-sore cream. Actavis sees its OTC portfolios in Europe as a key component of its business.



in £76 million in sales.

Co-op acquires three stores... The United Co-op Pharmacy Group has acquired three new branches in Bristol and Central Scotland. The acquisitions followed the merger of the Co-operative Group and United Co-operatives in July, making it the UK's third largest pharmacy chain with more than 700 branches.

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