

Finasteride makes debut on UK market

Four generics firms – Actavis, Medimpex, Sandoz and Teva – were selling 28-tablet packs of finasteride 5mg directly to independent pharmacists and dispensing doctors in June after the drug for benign prostatic hyperplasia made its debut in the UK market on 29 May.

Actavis made much of its 'day one' launch in opposition to Merck, Sharp & Dohme's Proscar brand because finasteride was the first generic the firm had launched in the UK under its own name and with its new livery. However, other firms – apart from the direct-sellers – were also active in the UK market, which was worth £29 million (US\$58 million) in 2006, according to Actavis.

One of these was India's Unichem Laboratories, which also claimed a 29 May launch for its wholly-owned UK subsidiary, Niche Generics. Another was Consilient, which is targeting its finasteride product at small pharmacy chains, more than it is working through wholesalers or dealing directly with independent pharmacists.

Of the four direct-sellers, Teva seems to have misjudged the opening price required to secure independent business by coming in at £11.15 (see Figure 1), which was a 20% discount on the trade price of the brand. Actavis was more bullish with £7.95, offering pharmacists a 43% profit margin on the reimbursement price.

Both Medimpex and Sandoz were offering finasteride at £7.00

Manufacturer	Price in June 2007 (£)	Discount to brand (%)
Teva	11.15	20
Actavis	7.95	43
Medimpex	7.00	50
Sandoz	7.00	50
Market average	8.75	37

Figure 1: Prices on 19 June of generic companies selling 28-tablet packs of finasteride 5mg direct to independent pharmacists and dispensing doctors (Source – WaveData)

in June, giving pharmacists the opportunity to enjoy a mark-up of 100%, or a profit margin of 50% when they were reimbursed by the National Health Service.

The average price from these four suppliers was £8.28, but this was only from the direct-sellers. According to WaveData, the average price in the three weeks after launch from all suppliers in the market, including all types of wholesaler, was a little higher at £8.75. This was a 37% discount on the brand's trade price.

Charles Joynson, WaveData's managing director, said it was still too early to say exactly how the price for finasteride would behave in the coming months, but his first-stage forecast would be for a relatively gentle decline to about £5 by next February, about nine months after launch (see Figure 2).

Average discount of 64% to brand price

This would represent a discount on Proscar's trade price of about 64% which, by recent UK standards, would be less steep than for the first statins or for lansoprazole, for example, when more than 15 firms were highly active in the market.

Joynson added, however, that WaveData's forecast assumed that generic finasteride products would continue to be reimbursed as part of the brand scheme, the PPRS, and would not be transferred into category M of the Drug Tariff, the generics scheme. When this happened, its reimbursement price would fall dramatically in line with generic finasteride prices in the market. **G**

PRICE WATCH UK highlights generics price changes in the UK market and appears exclusively in every issue of **Generics bulletin**, courtesy of the Pharma TouchStone service of WaveData. WaveData collects and collates pricing information from a number of European countries. In the UK, pricing information about generics, brands and parallel imports is gathered from offers made to independent retail pharmacists and dispensing doctors by wholesalers, suppliers and product manufacturers. WaveData collates this data and publishes the results giving customers fast, accurate, real-time access to current generic prices. WaveData's Profesy price-forecasting tool can be found at www.wavedata.biz. **■ For further information** see www.wavedata.net or contact Charles Joynson, WaveData Limited, Concorde House, Comet Way, Eastwood, Essex SS2 6GD, UK Tel: +44 (0)1702 425125; Fax +44(0)1702 425129; E-mail cjoynson@wavedata.co.uk. Website: www.wavedata.co.uk.

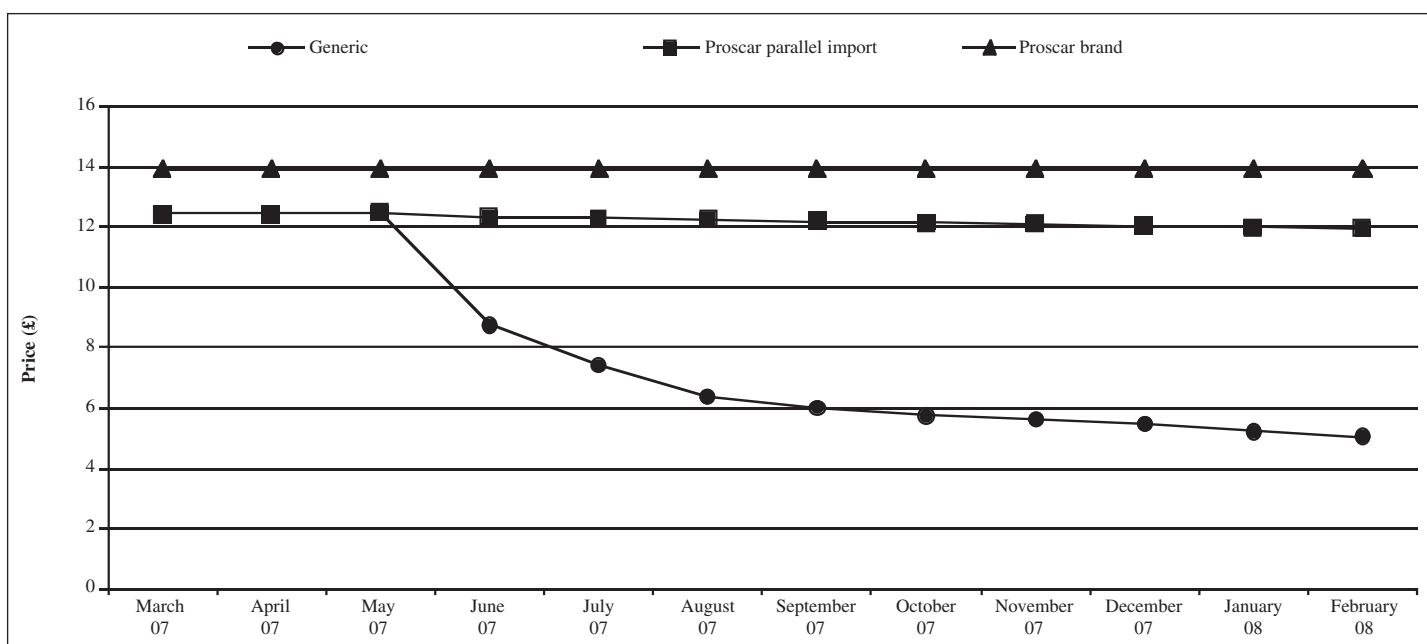


Figure 2: First-stage forecast of the average price of 28-tablet packs of finasteride 5mg based on an initial average price from all suppliers of £8.75 until 19 June, and assuming finasteride remains in the brand reimbursement scheme and is not transferred to category M of the Drug Tariff (Source – WaveData)