

Pantoprazole gets off to a slow start

Last week on 5 May the supplementary protection certificate for Nycomed's Protium expired in the UK, but activity in the marketplace for pantoprazole was muted at best. No generics player was publicly claiming a Day 1 launch, as far as *Generics bulletin* was aware, and Teva, the UK market leader, was earlier this week still promising the proton-pump inhibitor "within the next few days".

Charles Joynson, managing director of price specialist WaveData, said his company had, with one exception, received no printed or telesales prices for pantoprazole from its UK network of independent pharmacists and dispensing doctors before 11 May. The one exception was Teva, which had included pantoprazole in its May monthly price list with the note that the product would not be available until 6 May.

One company which had definitely launched pantoprazole was Apotex, which got its gastro-resistant tablets to UK wholesalers a few days late on 8 May. Another was Mylan's Generics UK.

Teva's published list prices for pantoprazole are exactly 25% less than the brand prices for Protium. While packs of 28 enteric-coated Protium 20mg tablets have a trade price of £11.83 (US\$17.9), the equivalent Teva price is £8.87. Similarly, a pack of Protium 40mg costs £20.57, whereas Teva's list price for pantoprazole 40mg is £15.43.

Apotex, however, has assumed that the price decay for pantoprazole will be immediate and much steeper. Its list prices are £1.78 for pantoprazole 20mg and £3.09 for the 40mg version, which both offer precisely 85% discounts on Protium's prices. Generics UK is offering the products at £5.40 and £9.40, both at a 54% discount.

At least five generics players have received product licences from the UK Medicines and Healthcare products Regulatory Agency (MHRA) within the past few months, including two sets for Germany's Alfred E Tiefenbacher. Apart from Apotex and Generics UK, the other two are Ranbaxy and Sanofi-Aventis' Winthrop generics subsidiary. Other players may also have authorisations.

What seems clear, however, is that pantoprazole has not excited the same launch clamour as omeprazole and lansoprazole. Both had price 'bounces' after launch (see Figure 1) as companies withdrew from a marketplace that was too hot for them relative to their cost of goods.

UK sales of branded pantoprazole have been estimated at about £20 million, which is many times less than branded omeprazole before generic competition. However, the relative market value of the brand is not necessarily a guide to the speed or shape of the price decay. At one time before their patent expiries, branded lisinopril, omeprazole and simvastatin were three of the top four sellers in the UK market. However, a glance at Figures 1, 2 and 3 show that their price-decay profiles are very different.

All three examples were launched before category M was introduced into the Drug Tariff reimbursement price list in April 2005. This links reimbursement prices much closer to actual prices in the marketplace, and the timing of a new generic's inclusion can have a feedback effect on its market price. Ondansetron, for example, is a more recent launch whose price has declined slowly (see Figure 4). It has never been put in category M, but has remained in category A, which is based on a few list prices, rather than actual prices. **G**

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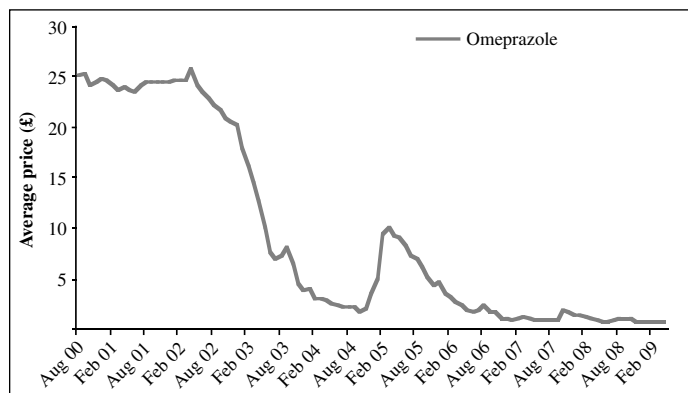


Figure 1: Price decay of average trade prices for 28-capsule packs of omeprazole 20mg after generic launch in the UK (Source - WaveData)

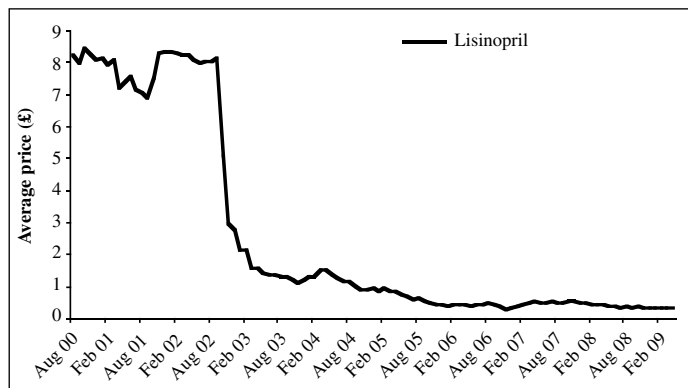


Figure 2: Price decay of average trade prices for 28-tablet packs of lisinopril 10mg after generic launch in the UK (Source - WaveData)

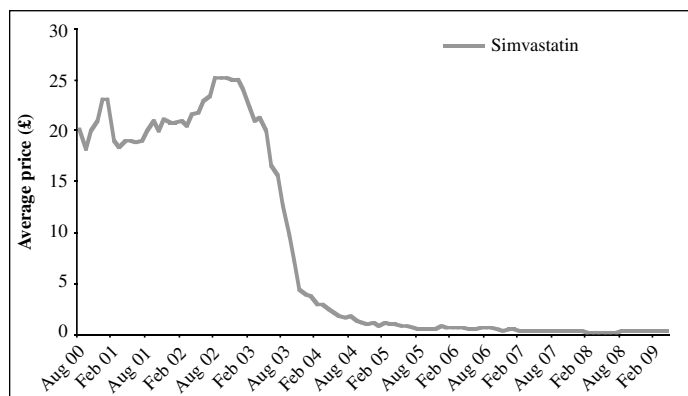


Figure 3: Price decay of average trade prices for 28-tablet packs of simvastatin 20mg after generic launch in the UK (Source - WaveData)

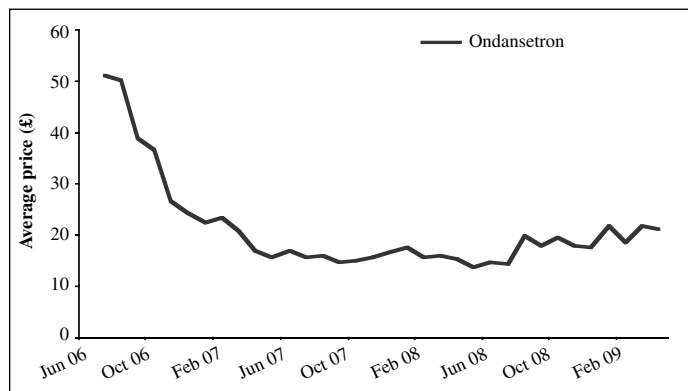


Figure 4: Price decay of average trade prices for 10-tablet packs of ondansetron 8mg after generic launch in the UK (Source - WaveData)