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Five-day waits reported by pharmacies for emergency supplies

Community pharmacists are having to wait significant periods of time to receive emergency supplies of out-of-stock medicines, with some claiming manufacturers often take more than five days to get orders to them.

The results of C+D's Stocks Survey 2011 make for grim reading, with two thirds of the 322 respondents telling C+D they typically have to wait three days or more for emergency supplies. Fourteen per cent said orders normally took four to five days, and 4 per cent said they usually waited longer. The findings were similar to those from 2009's Stocks Survey, when 75 per cent of pharmacists also reported having to wait three days or more to receive emergency supplies from manufacturers.

In other results this year, the percentage of pharmacists regularly failing to receive some medicines within 24 hours of ordering – the time stated in guidance issued by the Department of Health (DH) last February – came in at 93 per cent, indicating that the guidance has been wholly ineffective in resolving the problem.

This was confirmed by respondents to the survey, 97 per cent of whom said sourcing medicines had been harder or no different in the past 12 months to the previous year.
PSNC chief executive Sue Sharpe branded the shortages situation "disgraceful". "Yet another survey has laid bare the disgraceful shortages situation," she said. "We know that for pharmacies, shortages are being driven by restrictions on supply imposed by manufacturers," Ms Sharpe continued.

Numark added to the criticism of the supply chain when it also hit out at medicines manufacturers over shortages this week, accusing the companies of using quota systems "as a weapon of commercial protection".
Although quotas used to manage supply of limited stocks into the market and protect supplies to patients could be a good thing, Numark managing director John D'Arcy warned: "The reality appears to be that they are being used by manufacturers more as a weapon of commercial protection."

Mr D'Arcy described the use of quotas as "arbitrary and opaque" and called it "the one area that creates the biggest problem for pharmacists".

The Association of the British Pharmaceutical Industry (ABPI) told C+D that its members had put "significant extra resources in place" to operate emergency order systems, to manage the supply chain and to try and find solutions.

"ABPI members indicate that overall between 97 and 99 per cent of the time they are supplying medicines within the 24 hour timeline stated in the best practice guidance," a spokesperson said.

The Numark comments came as part of the group's submission to the all-party pharmacy group (APPG) inquiry into medicines shortages, the deadline for which has now been extended to January 20 after the APPG received a higher than expected number of submissions.

The inquiry, which was launched last year to examine long-term shortages in the supply chain, has been calling on everyone involved in the supply of medicines to patients to provide written evidence on how the government and other parties may be able to remedy the problem.

The group hopes the inquiry will play a part in reducing the problem as "quickly as possible", according to Kevin Barron MP, chair of the APPG, who warned that shortages had been a problem "for too long". The group intends to report on its findings by Easter 2012.

http://www.chemistanddruggist.co.uk/news-content/-/article_display_list/13287201/five-day-waits-reported-by-pharmacies-for-emergency-supplies

Chemist & Druggist 13/01/12

GENERIC MARKET SET FOR STRONG GROWTH, SAYS REPORT

The global generic market is likely to capitalise on the patent expiration of a host of blockbuster drugs in the next five years, a new report predicts.

Frost & Sullivan's *Generic Pharmaceuticals Market – A Global Analysis* estimates that revenues will increase at an annual rate of nearly 10% and reach $231bn in 2017 as governments and healthcare service providers search for cheaper medication.

Several major brands worth $150bn between 2010 and 2017 will lose exclusivity which Aiswariya Chidambaram, a Frost & Sullivan research analyst, says will "fuel the growth" of the market.

The report found that leading generic manufacturers have been creating strategic alliances with pharma companies for marketing rights and the exclusivity in producing generic versions of blockbuster products such as Lipitor, Cozaar and Crestor.

Market leaders such as Teva, Sandoz and Mylan are also focusing their efforts on biosimilars to provide a competitive edge that also presents huge profit gains.

However, the report adds, one potential obstacle which may prevent growth is austerity measures imposed by governments around the world.

Instead, generic manufacturers should focus on the product segments they wish to compete in and the appropriate time of entry into the market if they are to be successful, the report advises.

"Large multinational generic firms need to adopt a differentiated approach by opting for products with technologically challenging formulations, products which require significant regulatory support and products with limited availability of active pharmaceutical ingredients (APIs)," said Aiswariya Chidambaram. "Small and medium-sized firms should focus on products with relatively higher profit margins."

Pharmafield 12/01/12

Pharmacy contractors sell up as category M clawbacks bite

An increasing number of pharmacy contractors are looking to sell their businesses following October's category M clawbacks, industry experts have reported.

Pharmacy broker MediEstates said it had been "inundated with calls" from independents wanting to sell, while law firm Charles Russell reported a rise in sales activity since October.

But pharmacy accountant Umesh Modi said that while some contractors were selling out because of funding cuts, many were still earning "a decent living" from pharmacy.

MediEstates said the £39 million category M clawbacks in October had been the "final straw" for some contractors. "We have been inundated with calls from independents making enquiries about selling their businesses since we launched our pharmacy brokerage," said Nadia Mulliner, director of business development at the broker.

"It cannot be a coincidence that contractors have just received details of another category M clawback and I believe this, added to all the changes last year, has been the final straw for some."

"It was sad to see reports of pharmacies going into administration at the end of 2011 and I hope that this is not the start of a trend," Ms Mulliner added.

The comments came as Deloitte revealed today (January 9) that UK administrations had risen in 2011, with the fourth quarter of the year seeing a 25 per cent increase compared with the same period in 2010.

But Charles Russell said the tough conditions alone were not necessarily the cause of pharmacy contractors selling their businesses. "The markets started getting busier in November and December – I'm certainly seeing more transaction volume now," said Tim Jenkins, head of the firm's pharmacy transactions team. "But there is a school of thought that says [the market conditions] may depress pricing and would make it not a good time to sell. That said, it is still a sellers' market and there are a lot of people out there who want to buy."

Umesh Modi, partner and accountant at Silver Levene, also reported some caution towards selling businesses. "With the NHS income and margins coming down, some contractors are getting worried and want to sell out," he told C+D. "For most, though, it still gives them a decent living and they say that even if they sell out, they won't get much of a return on their cash."

Are you finding business tough since the category M clawbacks were announced? Email C+D at haveyoursay@chemistanddruggist.co.uk

Chemist & Druggist 10/01/12

Tolbutamide takes off after shortages

Prices for 28-tablet packs of tolbutamide 500mg took off in December, having been on the rise since last September. As Figure 3 shows, the product's average price rose by a staggering 295% during the last month of 2011 to £22.13 (US$34.28). This followed three months of far more modest rises, starting with a 60% uplift during September to £3.13 (Generics bulletin, 14 October 2011, page 21). Average price increases of 38% and 15% followed in October and November, although only the last – and smallest – of these uplifts merited top spot in our monthly table of 'biggest risers'.

To see more go to http://www.wavedata.co.uk/newinfo.asp and view our article from this month's Generics Bulletin.

WaveData

India curbs price moves on imported drugs

India has told foreign drugmakers that they will no longer be able to increase the prices of their imported products simply as consequence of reporting that the drugs' production costs have gone up.

In future, such claims will have to be justified, says the National Pharmaceutical Pricing Authority (NPPA), which sets maximum retail prices (MRP) for drugs imported into India if their manufacture involves any of the 74 bulk drugs whose prices are controlled by the Authority. The price level includes a margin of 50% over the drug's production costs if no Indian-manufactured generic equivalent is available, plus a 35% margin if one domestically-produced version is available.

However, the NPPA says it has found examples of foreign drugmakers citing sharply rising production costs - and subsequently increasing the prices of their imported products significantly - just ahead of the launch of generic competitors to these products. In one case, the additional production costs claimed by the company were found to be exactly the same as the amount the manufacturer was set to lose as a result of the launch of the Indian-made generic, according to an Authority official quoted by The Economic Times of India.

The official added that the current profit margins will remain available to companies where the claimed higher production costs are genuine.

Meantime, India's Health Ministry is shortly to set up a single agency through which all medicines, vaccines and medical products used in government-funded health care throughout the country will be purchased. The new Central Procurement Agency (CPA) will be a fully-autonomous agency operating as a Society under the auspices of the Ministry, and is expected to be registered under the Societies Registration Act within the next two to three months.

The cabinet has already agreed funding of 500 million rupees to establish the CPA, whose establishment was first proposed more than three years ago to correct the current pattern of procurement, which is through a variety of agencies and departments and based on approximate estimates of need. Under the new system, purchases of drugs and medicines will be made based on actual levels of need and made through tenders, which will ensure better rates for such large, single bulk orders, and eliminate wastage and shortages, say local reports.

Links

www.economictimes.indiatimes.com

www.mohfw.nic.in

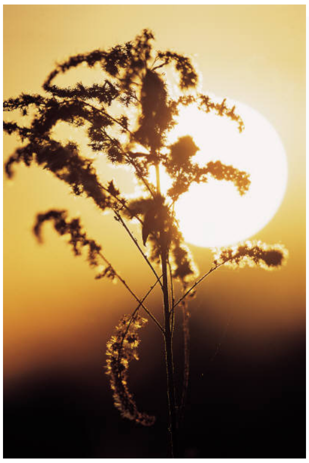
Pharmatimes 04/01/12

Your guide to drug distribution deals

The Chemist and Druggist magazine has published a useful wall chart of which wholesalers are distributing which companies' products.

The wall chart can be found at:

http://www.chemistanddruggist.co.uk/feature-content/-/article_display_list/13287767/your-guide-to-drug-distribution-deals?cid=INDEPTH_3&sp_rid=NjU3NzI1NjQxNgS2&sp_mid=38662516



Spanish cuts further threaten drugmakers

Drugmakers already nervous about Spain have a new reason to worry: The government announced a new round of spending cuts last week. The industry group Farmaindustria says new reference prices established Dec. 28 will cut pharma expenditures by more than €650 million, or about $850 million.

That's on top of €2.4 billion in cuts last year, Farmaindustria says, putting 2012 revenues some €3 billion lower than last year's. Add that Spain's public hospitals are far behind on their bill-paying--in some cases, 800 days late, *Bloomberg* reports--and you have a "critical" situation for drugmakers operating in that country, particularly smaller companies dependent on the domestic market.

No other sector has suffered as much from government austerity as the pharma business, *Noticias* reports. In three years, public spending on drugs could contract as much as 25% under the current measures. So, Farmaindustria is planning a lobbying push for a "stable and predictable" framework for the industry, now that the new ministerial officials are taking office.

Spanish companies such as Almirall and Faes need relief fast. Their sales and profits are dropping, and they've been cutting staff and investment to cope. "The entire industry is in danger," Farmacia's Humberto Arnes told *Bloomberg*. "It's impossible for drugmakers to recover in such a tough environment and many may have to relocate. The effects are devastating."

FiercePharma 03/01/12

NUMARK RESPONDS TO APPG INQUIRY INTO MEDICINES' SHORTAGES

Numark has responded to the All Party pharmacy Group Inquiry into Medicines' Shortages.

Whilst acknowledging that any supply chain will experience periodic stock outs, Numark believes that the current short supply issues are in the main a consequence of manufacturers of branded medicines adjusting their processes to cut costs in response to a changing market which includes the erosion of manufacturing margin associated with a tightening Prescription Price Regulation Scheme (PPRS), the increasing number of patent expired products and dwindling pipelines of new products. At the same time manufacturers seek to deal with the impact of parallel trade.

The combination of the resultant DTP, reduced wholesaling models and the associated system of quotas, is reducing the availability of stock in the market whilst simultaneously reducing choice and competition. And the consolidation within the manufacturing sector coupled with the reduction in the number of wholesalers has reduced the flexibility in the market for dealing with stock shortages.

Consolidation has also undermined confidence in the supply chain, and forced pharmacists into an over burdensome layer of administration. At a time when pharmacists are being required to do more to enhance patient compliance with prescribed medicine regimes, they are instead forced into wasting precious time in sourcing products in short supply. The supply shortages therefore have implications for the NHS not simply in terms of cost but also on the wider objectives of NHS policy.

The pan industry guidance drawn up to resolve stock issues does not appear to be working. The general perception is that things have, if anything, got worse since its publication. Guidance makes clear that there is a shared responsibility on all in the supply chain to bear in mind their obligations in respect of the supply of medicines and to be aware of the consequences of exporting medicines. If things are getting worse the conclusion one draws is that behaviour has not changed, or if it has, not to the extent that makes any difference. Numark believes that more needs to be done to highlight the guidance, and the importance of it in dealing with stock issues, to affected parties.

The Efficient Supply and Distribution Best Practice Guidance states that the aim of all parties should be that, under normal circumstances, pharmacists should receive medicines within 24 hours. This should continue to be the goal and this should be monitored in practice on a product by product basis to assess how supplies of these products is matching up to this benchmark. Where the target is being missed, an obligation should be placed on manufacturers to release more stock into the supply chain.

The use of guidance has to be preferred way forward, but if this does not work, regulatory based solution may be necessary. The most obvious solution to the problem would be a straightforward requirement on manufacturers to supply sufficient stock to meet the demand in the market. And at the same time, the export of "vital" medicines for critical/life maintaining conditions could be made illegal. Any regulatory approach will however be problematic given governments' cutting "red tape" agenda and is likely to offend the European competition regime.
The major contributory factor to the current shortages and the one that causes pharmacists the most administrative and practical difficulty, is the use of unilaterally imposed product quotas by manufacturers. Quotas are drawn up by manufacturers on an apparently arbitrary basis. Greater transparency is needed on quotas so that the supply chain as a whole can see and understand the basis of the quota "system". As part of this, pharmacists and wholesalers should be free to engage with manufacturers toward making any necessary adjustments to quotas to ensure they are able to make the supplies to match the demand from patients. And to support this goal, the use of locally held buffer stock should be considered.

Numark Managing Director John D'Arcy said:

"The current position on stock shortages is seriously undermining the resilience of the supply chain and leading to disruption of patient care. The current unacceptable position must be resolved as matter of urgency if confidence in the supply chain arrangements is to be restored. The current arrangements are failing patients in denying them access to the depth and breadth service they are entitled to expect. In particular they are prejudicing pharmacists' ability to fulfil their supply obligations and compromising patient care.

The one area that creates the biggest problem for pharmacists is the use of quotas. The whole process is arbitrary and opaque. In as much as quota arrangements are an attempt to manage limited stocks into the market and to protect supplies to patients, they are a good thing. But the reality appears to be that they are being used by manufacturers more as a weapon of commercial protection.

Pharmacists are increasingly being required by Government to optimise patient use of medicines whether through medicine use reviews and the New Medicine Service in England, the Chronic Medicine Service in Scotland or the Discharge Medicine Service in Wales. This is never going to happen where the little time pharmacists have to spare in delivering these services is taken up in trying to get hold of those medicines."

RBH Salmons PR Ltd 09/01/12

Dear friends,

Several years ago my wife Liz was diagnosed with Parkinson's disease and since then we have undertaken several long distance sponsored walks to raise funds to try and find a cure for this debilitating disease .

Many of you have kindly sponsored us on these challenging adventures and we are most grateful for your support.

This year our New Year challenge is to climb Mount Kiliimanjaro, at 19,321 feet this is the highest mountain in Africa.

It will be quite a challenge and will take six days to climb if we can make it.

The altitude will be the major problem. But to make it more challenging still,Liz has recently had an operation in her knee and is not yet fully recovered .

So we will need all the support that we can get!

After this challenge we will not be taking on any more sponsored events for quite some time.

So if you could sponsor us for this our greatest challenge to date, we would really appreciate your support and encouragement.

The easiest way to support us is via our just giving page which can be accessed via the link below :-

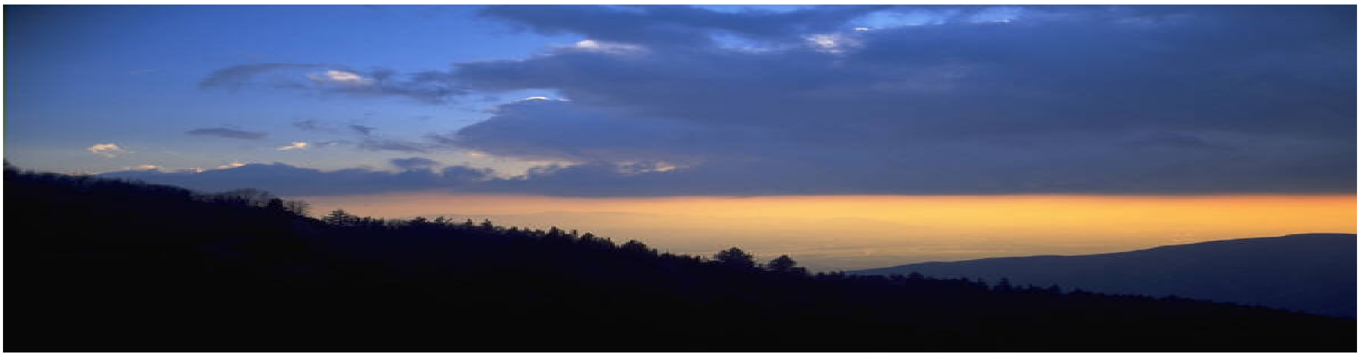
http://www.justgiving.com/Liz-ChrisRyankilimanjaro

Once again many thanks for all your support.

Best wishes

Chris and Liz Ryan

Equa Pharma Limited



WaveData — Top ten products

According to WaveData, these were the most commonly investigated products in searches of the online pricing data at www.wavedata.net

Both uk and pi prices were viewed for each product, giving some indication of where the focus was in December 2011

Esomeprazole Tabs 20mg 28

Diclofenac Tabs 50mg 84

Esomeprazole Tabs 40mg 28

Levetiracetam Tabs 250mg 60

Fluoxetine Caps 20mg 30

Ibuprofen Tabs 400mg 84

Citalopram Tabs 20mg 28

Levetiracetam Tabs 1g 60

Losartan Tabs 50mg 28

Rivastigmine Caps 1.5mg 28

This bulletin now goes out to 2000 plus people, and it is growing each month.

If you would like to add or suggest any articles/comments, please let me know by the 15th February 2012, as I will be issuing the next one on the 22nd February 2012.

If you have any colleagues who would like to receive this, please let them know about it.

You can view all copies of the Bulletin at

www.wavedata.co.uk

Jackie Moss

WaveData Ltd

E-mail: Jackie@wavedata.co.uk