

# June market analysis reflects fluidity of free market competition

A 2019 study published by the BGMA (British Generic Manufacturers Association) in conjunction with the research institution Oxera, has concluded that price setting of generics based on free enterprise – free market competition – is more effective at ensuring supply and reducing prices than drug price control through legislation, as takes place elsewhere in Europe.



Looking at the long-term history of price competition between GP dispensaries and pharmacies it is clear that until 2015 both types of purchaser were offered similar prices. Since then, average prices paid have diverged, with dispensing doctors paying an average price for their drugs of £12.60, and pharmacies, over £15.00. GPs' greater control over prescribing is considered a key reason for this.

## Risers

At the end of end of June, price rises were taking centre stage, with four packs of metformin tabs, and two each of prednisolone and risperidone tabs featuring among the ranks.

Eight companies increased prices for metformin tabs 500mg x500 averaging 325 per cent during the month. The best deals in June below £10.00 were from DE, Alliance, Eclipse and Munro.

Montelukast chewable tabs S/F 4mg x28 saw 10 suppliers increase price increases during the month, and two reduce prices. Overall, this created an average price increase of 294 per cent. A marginal reduction in the English drug tariff in July may slow the increase, but with the average market price almost four times the tariff, this may make little difference. The best June offers below £1.00 were from Ethigen, Cambrian, Bestway, Aver Generics, Target, Beta, B&S, Numark, Munro, Lexon, Eclipse, DE and Cross Pharma.

A total of 18 suppliers increased their prices for metformin tabs 500mg x84 in June. The best offers below £2.00 were from Munro, Meanwood, Cambrian, Numark, Target, Eclipse, Cross Pharma and DE.

## Fallers

During the month, eight suppliers reduced their offer prices for irbesartan tabs 75mg x28 and, as a result, the average market price fell by 36 per cent. The English drug tariff was stable at £1.43 but rose to £2.23 at the beginning of July. This increase may force prices back up. The best deals in June below £1.50 were on offer from CrossPharma, Ethigen, Medihealth North, Lexon, DE, Chemilines and Beta.

Average prices for nicorandil tabs 10mg x60 also fell in June, by 32 per cent as 13 suppliers reduced prices. A reduction in the English drug tariff at the beginning of July to £3.66 may force prices down even further. The best deals below £2.50 were from Lexon, B&S, DE, Cross Pharma, Cambrian, Beta and Ethigen.

Reductions in the average price of trihexyphenidyl tabs 2mg x84 were driven by a small number of large suppliers reducing prices during the month. A reduction in the English drug tariff to £3.31 in July may force prices down more. The best deals below £3.00 were from DE, Trident, Numark, AAH, Eclipse and Munro.