

# Rabeprazole follows the 'prazole' trend

When rabeprazole was launched in the UK last November, a raft of generics players, including Actavis, Ratiopharm/Teva, Torrent and Winthrop, had already secured marketing authorisations. Fierce competition was expected in the marketplace for Eisai's Aciphex/Pariet proton-pump inhibitor from all of the rival firms (**Generics bulletin**, 19 October 2012, page 18).

In the event, when Pariet's supplementary protection certificate (SPC) expired, Actavis took full advantage, launching on 'day one' not only in the UK, but also in France, Germany, the Netherlands and Spain. Introductions in Austria and Italy soon followed. Quoting IMS Health data, Actavis said the gastrointestinal brand – which is marketed by Janssen in certain markets – achieved European sales of €305 million (US\$395 million) in the year ended June 2012 (**Generics bulletin**, 23 November 2013, page 22).

Forecasts of stiff price competition were soon proved correct as generics prices for rabeprazole plunged downward. Charles Joynson, managing director of WaveData, notes that rabeprazole prices exhibited the same steep declines as pantoprazole and lansoprazole had done some years earlier. "It is noticeable that rabeprazole appears to be about to suffer a price 'bounce' in the same way that lansoprazole and pantoprazole both did soon after launch," he comments.

As Figure 1 shows, the trade price – and category C pharmacy reimbursement price – of 28-tablet packs of Pariet 10mg last November before generic launch was £11.56. The average generic price of rabeprazole soon tumbled to below £3.00, and last month reached £2.44. This average generic price offered a 79% discount to the brand's trade price. Meanwhile, the lowest price available in the marketplace had sunk to £1.30, or an 89% discount to the Pariet equivalent.

Over the same period, the Drug Tariff of pharmacy reimbursement prices soon caught up with the falling generic price, exactly halving to £5.78 in February. Pharmacists' average dispensing margin was 58% last month, but pharmacists that were prepared to shop around could make a 78% margin.

However, the category C Drug Tariff price in February reflected a 50% price cut by Eisai, rather than a move by any generics player. In the event, the Department of Health reacted in March by placing rabeprazole in category A, which is based in part on the trade price lists of Actavis and Teva. As a result, the Drug Tariff price has bounced back to £8.38 this month, improving pharmacists' margins, but not necessarily reflecting generics prices in the marketplace.

Almost four years ago, market prices for pantoprazole followed a similar swift downward trend to that shown by rabeprazole to date (see Figure 2). Esomeprazole in Figure 3, however, showed much slower price decay, although there were unusual features about this launch, following a court ruling in favour of Ranbaxy, as we analysed last year (**Generics bulletin**, 29 June 2012, page 23).

A comparison of the price decays of the three most recent 'prazoles', together with that of lansoprazole, is shown in Figure 4. This confirms that rabeprazole's price decay has so far fallen between that of pantoprazole and lansoprazole, which seven years ago was one of the most hotly contested launches ever in the UK.

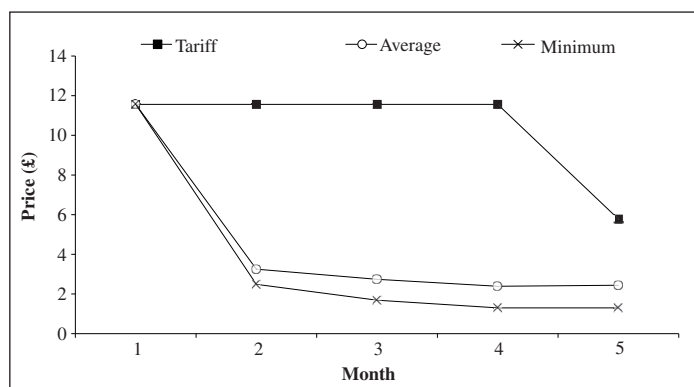


Figure 1: Average and minimum prices, as well as Drug Tariff prices, for 28-tablet packs of rabeprazole 10mg in the four months since generic launch (Source – WaveData)

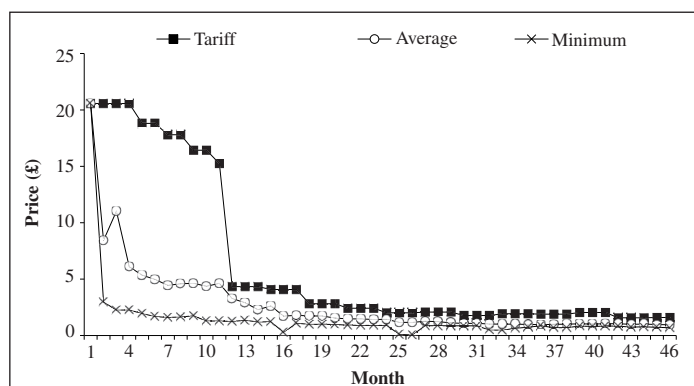


Figure 2: Average and minimum prices, as well as Drug Tariff prices, for 28-tablet packs of pantoprazole 40mg in the four years since generic launch (Source – WaveData)

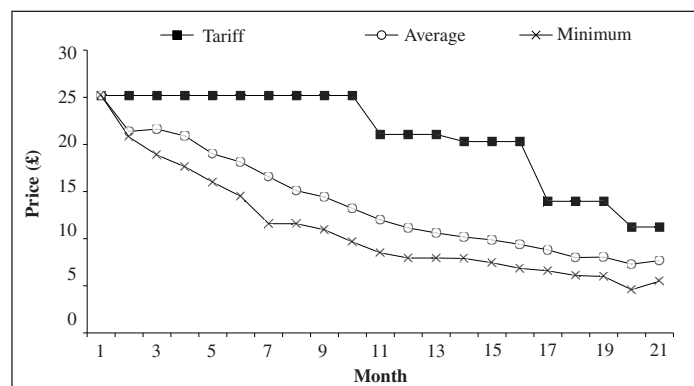


Figure 3: Average and minimum prices, as well as Drug Tariff prices, for 28-tablet packs of esomeprazole 40mg in the two years since generic launch (Source – WaveData)

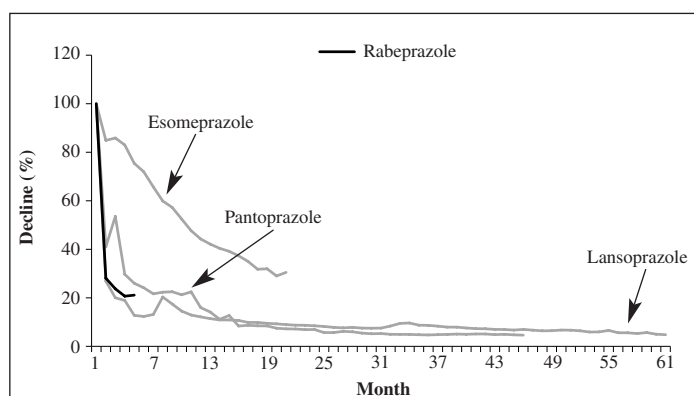


Figure 4: Comparison of the percentage monthly price decline of 'prazole' products from generic launch, based the trade price of the brand at launch (Source – WaveData)

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