

Ranbaxy makes running on esomeprazole

With patent expiries coming thick and fast this year – Teva UK claims to have executed 10 ‘day-one’ launches immediately upon patent expiry out of a total of 18 introductions it has made to date in 2012 – WaveData was asked to look at which products were currently the subject of the most sales activity.

Not surprisingly, perhaps, atorvastatin 20mg and 40mg came top of the pile as two of the most recent, and probably most important, of the new market entrants. Having covered last month the initial launch period of atorvastatin from 8 May onwards (*Generics bulletin*, 18 May 2012, page 21), it is too early, however, to draw any further conclusions.

Just behind the two strengths of cholesterol-lowerer, a group of four product lines was identified by WaveData which were not only recent launches, but had also been promoted more heavily than other products. All four – 28-tablet packs each of esomeprazole 40mg, olanzapine 10mg and valsartan/hydrochlorothiazide 160mg/12.5mg; and 28-capsule packs of valsartan 80mg – have pharmacy reimbursement prices that are in category M of the Drug Tariff. This means that pharmacists are reimbursed at a rate that is based on actual prices in the marketplace. The declines in average price for all four products since generic launch are shown in Figure 1.

WaveData’s managing director, Charles Joynson, remarks that the esomeprazole product was interesting as it had been heavily advertised after launch, mainly by Ranbaxy via short-line wholesalers. Looking at Figure 2, Ranbaxy also offered the cheapest price in eight out of the 12 months monitored, observes Joynson, noting that Ranbaxy was supplying Actavis for at least a part of the period studied.

Ranbaxy launched the UK’s first generic esomeprazole alternative to AstraZeneca’s Nexium – which had UK sales of £60 million (US\$94 million) in the year ended June 2011 – shortly after it convinced the Patents Court of England and Wales that the esomeprazole it intended to import did not infringe AstraZeneca’s patent EP1,020,461 (*Generics bulletin*, 16 September 2011, page 1). The ruling followed one by the European Patent Office’s Opposition Division that overturned both the ‘461 and EP1,020,460 patents for lack of an inventive step (*Generics bulletin*, 30 June 2011, page 17).

The launch price for Ranbaxy’s esomeprazole 40mg was £17.99, which offered only a 29% discount on the trade price of £25.19 for the Nexium equivalent. This represented a price premium compared with other relatively important generics, a trend that has continued until today, when the average price in the marketplace still offers only a 50% discount on the brand.

Price offers for Ranbaxy’s product (see Figure 3) came mainly through short-line wholesalers like DE Group, Forte Direct and Mawdsley’s. Teva, on the other hand, concentrated on full-line wholesalers like AAH and Phoenix. “As the full-line wholesalers are nationwide, whereas the short-liners are regional, the outcome is likely to be greater volume sales for Teva than for Ranbaxy,” comments Joynson.

“Because of the greater distribution effort made by Ranbaxy,” he adds, “there was more promotional activity for esomeprazole than for the other three products. Overall, Ranbaxy’s share of voice during the launch period for esomeprazole 40mg was 59% (see Figure 4).”

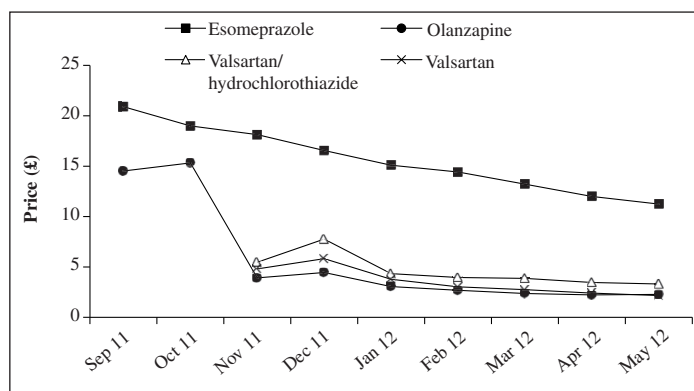


Figure 1: Average price declines for four recently-launched category M products that have been generating high volumes of price offers (Source – WaveData)

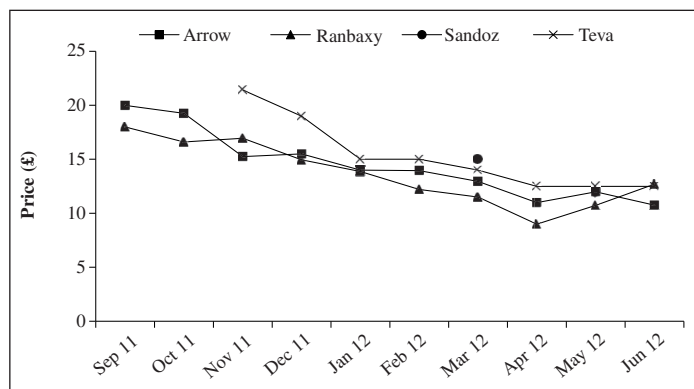


Figure 2: Price declines by manufacturer from launch for 28-tablet packs of esomeprazole 40mg (Source – WaveData)

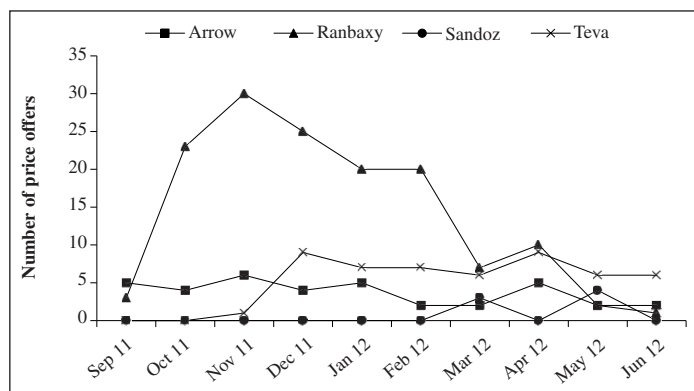


Figure 3: Promotional activity by manufacturer from launch – measured by price offers – for 28-tablet packs of esomeprazole 40mg (Source – WaveData)

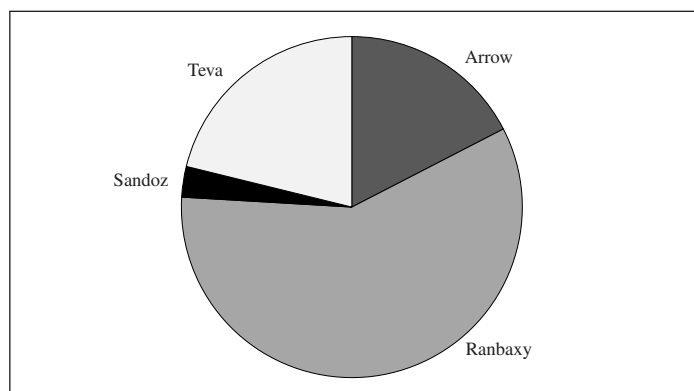


Figure 4: Share of voice within total promotional activity for different manufacturers from launch of 28-tablet packs of esomeprazole 40mg (Source – WaveData)

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