

6. European Health Forum Gastein "Health & Wealth"



Old in new boxes Pharmaceutical companies criticize generics

The role of pharmaceutical companies
as research innovators in the Austria
economy

Media information - 2 October 2003

International Forum Gastein
Congress Press Center
Bad Gastein
Tel: +43-6434 30021; Fax: 30012
press@ehfg.org
www.ehfg.org

Media Representative
Dr. Carmen Kiefer
carmen.kiefer@utanet.at
Tel +43 676/ 344 9971

Actual press releases and photos of the EHFG 2003.
www.ehfg.org/presscenter/2003/

Numerous surveys have shown that less than 15% of pharmaceutical innovations bring a therapeutic progress in medicine", criticized Dr Kees de Joncheere from the WHO regional office for Europe at the 6th European Health Forum Gastein (1st to 4th October 2003). At this year's health summit in Bad Gastein many events circle around the central issue "Health & Wealth". According to endless debates in economy and politics the health sector threatens to become the black hole of public finance. Not only because of the gap between contributors and receivers in an ageing society. The preference for latest pills and powders contributes to the gigantic cost increase in medical provision and to an increase in the supply of new inflaters.

Only Novelty: "me-too-medicines"

New medicines? Rather old hats in new wrappings! One of the EHFG speakers, Professor Silvio Garattini from the *European Agency for the Evaluation of Medical Products* shares the scepticism on apparent novelties in medicine chests. According to him the root of the problem lies in the EU's policy of pharmaceuticals approval: "The approval proceeds as if there were a therapeutic vacuum! Attention is only paid to quality, effectiveness and safety directives but there is no responsibility for the comparison of old and new products to the same illnesses!" If you once find a comparison it often only says that the new product is not worse than the old. At the final count the will to innovations is disappointingly little, so Garattini: "Most novelties are not more than 'Me-too-products'." In the opinion of Professor Garattini firms imitate but do not exceed each other. According to him medicines that have the same effects do not always cost the same which causes big problems for the health systems. "If there were a force of comparison in the pharmaceuticals approval, the 'innovation' of pharmaceuticals would be accelerated more by patients needs than market rules", comments Garattini on the current practice of approval.

Generics as universal remedy

Much praised, much hated and much cheaper are the imitator products of brand medicines after expiration of the patent right – but this right expires only after a considerable time, in most states after 20 years. With imitator products it is difficult to use the word “innovative medicine”. But as the progress of pharmaceuticals is still easy to survey the question arises whether patients do not consume many old products not considering the cheap ones and even when there is a new label on the box. In the health policy however the enthusiasm for generics continues. No wonder: Depending on the price policy of a country a generic costs 30-50% less than a new brand product. The philosopher’s stone to meet the increasing pressure of the price in pharmaceuticals seems to have been found. In Germany and the Netherlands generics are consumed already between 30 and 40 percent, in Austria it is only 10 percent.

Does cheap mean bad?

The public debate on generics changes between the enthusiasm of economically thinking politicians and the indignation of the pharmaceutical industry. The patient is left out of the whole controversy on finances. Finally the question is whether he as the final consumer accepts generics or not. This crucial point is disputed less in the limelight of media coverage than in the privacy of doctor surgeries and pharmacies. “There is still much educational work to be done before the people put their trust in generics”, knows EHFG President and generics supporter Dr Günther Leiner from his experience as a physician. According to him some of the medicines have been known for years, others the patients know from newspapers, from advertisements or the Internet. “It is difficult to be successful with a no-name-product that is moreover said to be cheaper. For many people cheaper means worse!”, explains Leiner. Even if generics were ordered from the top the situation of uncertain patients would not be improved: Aside from the placebo effect ill people take medicines that they do not trust much either irregularly or stop their medication earlier than prescribed. “Mistrust endangers the success of a therapy”, EHFG President Leiner is convinced and pins on the “doctor as the best adman for generics”.

The role of the pharmaceutical industry in Europe

The pharmaceutical market could break down to 20 percent if there were an increased use of generics. This said an Austrian daily newspaper but EHFG expert university professor DDr. Werner Clement from the Vienna University of Economics weakens this drastic forecast: “The pharmaceutical sector will not starve because of generics but political decision makers should know one thing: Even if the pharmaceutical industry is usually seen as a servant of the health sector it is a normal branch of industry”, says Clement. According to him the only difference is that the pharmaceutical industry involves a high proportion of research and investment. Therefore a high added value is not only gratifying but necessary for a successful continuance. In the opinion of Clement dumping prices for medicines and bad conditions for national pharmaceutical business sites endanger research and the competitiveness of companies and also working places.

Added value above average

A few numbers for illustration: Compared to other branches of industry the pharmaceutical industry is growing despite recession and offers work to a high number of qualified people. In Austria there are multinational companies with a global competence for dermatology, generics and research on blood plasma. Surveys of the Institute for pharma-economic research have shown that the 101 Austrian pharmaceutical and biotech companies employed more than 9.000 people in 2001. Turnover profits and the gross added value were with 260.000 or 67.000 euros per employee above average of the Austrian production of material goods (170.000 or 57.000 euros). Export ratios and the development spending also rank high above the Austrian average: In the approximately 30 small and medium biotech enterprises of Austria the development spending amounts to about 23,5 million euros this year. "This sum is spent particularly on cancer and immunology research", says Clement, "the research spending differs in every enterprise."

Actual press releases and photos of the EHFG 2003.

www.ehfg.org/presscenter/2003/