

Generic Pharmaceutical Market in Finland

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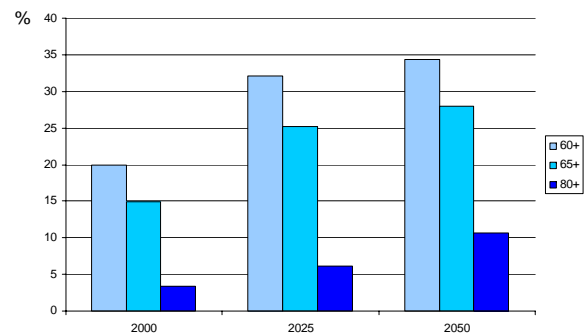
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Generic Medicines: Sustainability Through Competition

- Generic medicines play a key role in ensuring the affordability and sustainability of healthcare systems
- Encouraging competition through increased use of generic medicines both promotes cost containment and stimulates innovation
- Generic medicines account nearly half of packs sold in the EU and 18 % of pharmaceutical sales
- Generic medicines bring savings of €20 Billion per year in the EU

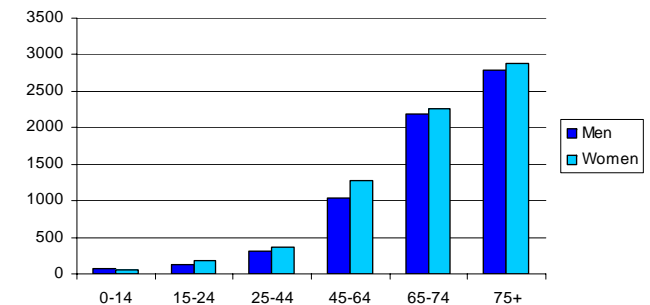
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Percentage in older ages in Finland 2000-2050



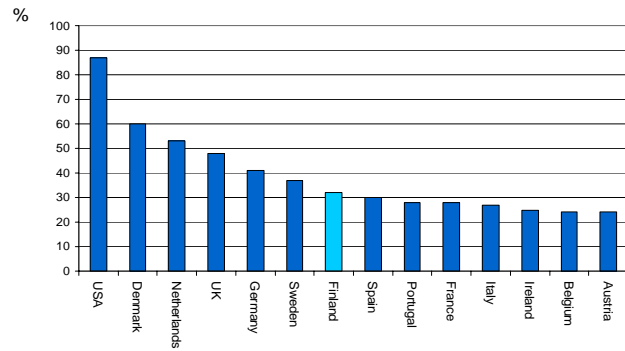
16.6.2008 Source: Population Division, DESA, United Nations: *World Population Ageing 1950-2050*

Use of medicines by age in Finland – defined daily dose / 1000 inhabitants / day



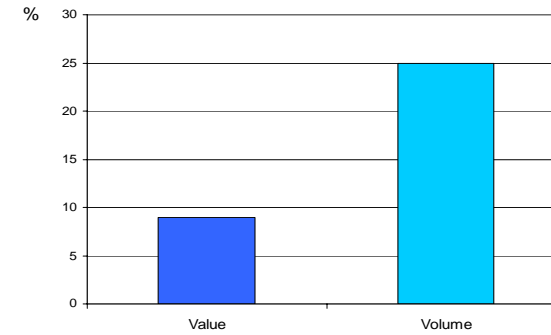
16.6.2008 Source: Paakkari & Voipio 2005, TABU 12.2.2005

Generic Market Share: Unprotected Market (2006)



16.6.2008 Source: EGA Market Review 2007

Generic Market Share in Finland Q1 2008



16.6.2008 Source: NeomedIT

Generic Market in Finland



Top 10 generic molecules (pharmacy sales 2007):

1. ibuprofen
2. metformin
3. pantoprazole
4. simvastatin
5. cefalexin
6. metoprolol
7. cetirizine
8. omeprazole
9. paracetamol
10. tamsulosin hydrochloride



16.6.2008 Source: NeomedIT

Generic Market in Finland



• Top 5 generic companies (sales 2007):

1. Orion Pharma €67 M
2. Ratiopharm €37 M
3. Sandoz €22 M
4. Leiras €16 M
5. Actavis €9 M

- Big Finnish companies
- Mostly branded generics



16.6.2008 Source: NeomedIT

Finnish market dynamics



- Generic substitution since 2003
 - First year savings of €88M
 - Price corridor of 2-3 euros
 - To get a reimbursement status, the generic medicine has to be at least 40 % less expensive than the originator product
- Patients' co-payment is 58 %, 28 % or 0 %
 - Substitution can be rejected > happens usually when patient's co-payment is low
 - High compared to other old EU countries
- No formal incentives for physicians to prescribe generics

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Key changes in legislation



- Legislative proposal to be implemented in 2009
- Introduction of reference price system
 - Narrower price corridor
- End of patent linkage in Finland
 - Analogy process patented medicines would again become substitutable at pharmacies (e.g. quetiapine, donepezil, olanzapine, losartan and bicalutamide)

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The future for generic medicines in Finland



- Worldwide growth for the whole sector: \$ 84 B patent expires in 2010, 2011, 2012
- More price competition in Finland
- New companies from India (and later China)
- Biosimilars: already on the market – big potential

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Thank you!

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