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HOT TOPIC

The government wants to have an increasing amount of influence on the pharma market, dominated by big corporations, Bank DNB Polska and PwC report says

The pharma market was worth approximately PLN 38bn last year. In 2020 it will reach almost PLN 45bn. Poland is also becoming an increasingly significant drug exporter. According to the report “Directions 2018. State participation in selected sectors of the economy - the scale and conditions for success”, prepared by Bank DNB Polska and PwC, the pharma market is one sector of the economy in which state participation and expenditures are limited, but one where it has a substantial impact on the development of the market.

Key findings of the report:

- Poland is the sixth largest market for medicines in Europe. At PLN 38bn in 2017, the market grew by 4.9% from the previous year.
- In 2017, prescription drugs accounted for 58% of the sales volume, including 19% that was fully paid. OTC medicine represented 42% of the sales volume.
- The pharma sector, both globally and in Poland, is dominated by strong global corporations which, because of their patents and huge resources devoted to R&D, hold a strong competitive advantage. This leads to fairly high levels of concentration, with some drugs reaching 25% share in the case of Poland (meaning that a single company represents a quarter of the sales of a specific medicine).
- The Polish government has announced a research program on heart diseases and cancers at the end of last year. This year, PLN 500m will be assigned for this program.
- An Institute of Medical Biotechnology is also to be established. The purpose of this program will be to increase the share of domestic medicines in the overall purchase mix. Government analysis indicates that at present, seven out of ten medicines purchased in Poland are foreign, a much higher ratio than in the case of Western Europe.
- Mid-sized, locally significant companies produce mainly generic drugs or restrict their portfolio to a narrow specialization. Examples include Polfa Tarchomin or Bioton. The tendency of Polish pharmaceutical companies to specialize in the production of generic drugs is due mainly to their limited financial potential, insufficient to pay for the cost of researching and commercializing innovative chemical and biological medicines.
- At present, thanks to retained profits, domestic pharma companies are starting to pay more attention to the development of innovative therapies based on biotech solutions and on technologies used in the production of biosimilars.
- The central bank’s balance of payments in 4Q 2017 shows that the Polish exports grew by 7.9% to a large degree thanks to the sale of medicines.
- Eurostat data shows that between 2001 and 2016 the exports of medicine from Poland grew by 14% p.a. on average, reaching EUR 810m in 2016. The biggest markets outside of the EU include Russia, the UAE and Norway.

- The biggest impact of the state on the pharma market is seen in the development of drug pricing policies.
- Insurers operating in the UK and in Germany are negotiating rates for medicines in a very determined manner. Consequently, prescription drugs in Germany are free of charge and the government pays for their cost by itself, at pre-agreed, rigid rates. UK's National Health Service is also heavily regulating drug prices, which effectively limits the potential for manufacturers for sudden, arbitrary price hikes.
- Meanwhile, Norwegian regulations allow for the establishment of maximum price caps for drugs. These are generally lower than in the case of many other European countries..
- Poland and France have the weakest negotiating position among the European countries. Their governments affect drug prices using soft tactics, by setting a co-payment up to a specific level. Patients have to pay the cost above that pre-set level out of their own pocket. To a certain extent this encourages pharma producers to keep prices of pharma products at a level close to the refund figure.

The information comes from Bank DNB Polska press release. The authors are not releasing the entire report to the public.

Mabion: positive assessment of the MabionCD20 trial for the treatment of non-Hodgkin's lymphomas (NHL)

Mabion has announced that a company contracted to analyze the results on patients' response to the treatment of NHL, has confirmed that the status of clinical trials on MabionCD20 reported as 'preliminary' has been changed, after a detailed verification, to 'final'. Final versions of the reports will be attached to the application for the permission for use of the drug. The company notes that positive trial results do not guarantee that the product will be approved by the European Medicines Agency (EMA).

Scientists are working on new ways to treat multiple myeloma

Professor Dominika Nowis, Ph.D., head of the Experimental Medicine Laboratory at the University of Warsaw, is working on new ways to treat multiple myeloma. The metabolic processes accompanying myeloma are very intense, she says. The cells quickly reproduce and accumulate huge quantities of incorrect proteins. The tumor removes such protein using the natural cleaning mechanisms. Scientists try to fight this by administering patients proteasome inhibitors. These substances halt the natural mechanisms which remove waste from the cell, which becomes clogged with damaged protein and dies off.

Consultations on government draft Law on Clinical Trials to start in the fall

The Health Ministry is working on a Law on Clinical Trials on Therapeutic Products, which is required by EU's decree of the European Parliament and the European Council no. 536/2014, dated April 16, 2014, on clinical trials on therapeutic products used on humans. The decree will be introduced into the legal framework of EU member states.

Supreme Medical Council [PL: NRL] has a new president and new members

Former president of the District Medical Council in Cracow, professor Andrzej Matyja, has replaced Maciej Hamankiewicz and was elected as NRL president at the 14th Reporting and Electoral National Doctors' Meeting in Cracow. Matyja gained the votes of 217 delegates, winning over two opponents, Romuald Krajewski (129 votes) and Krzysztof Kordel (49 votes). Grzegorz Wrona was re-elected as the Supreme Spokesman for Professional Responsibility. The new president of the NRL says he will try to change the image of doctors and that of doctors' medical association.

The 14th National Doctors' Meeting also selected members of the Supreme Medical Council. A full list is available [HERE](#)

Pole to head the Vasco da Gama Movement organization of young family doctors

Doctor of Medical Sciences Katarzyna Nessler will lead the Vasco da Gama Movement organization of young family doctors. She was elected by the participants of the 23rd Congress of the World Organization of Family Doctors WONCA, held in Cracow. Nessler works as a primary care physician at a clinic in Cracow.

THE ECONOMY

Inflation in Poland picked up in May. The Central Office of Statistics [PL: GUS] has published preliminary estimates for the month. Goods and services price index in May was up by 1.75% compared to the same month last year and by 0.1% higher than in April 2018. Analysts were expecting a 1.9% growth on a y-o-y basis and a month-to-month increase by 0.3%. May was the second consecutive month in which inflation has picked up significantly.

The OECD has raised Poland's GDP growth forecast for 2018 from 4.2% to 4.6%, and to 3.8% from 3.7% in 2019. OECD economists believe the Polish central bank should start rising its interest rates at the end of 2018.

Real Polish GDP growth in 1Q 2018 has reached 5.2% on a y-o-y basis, GUS said. Adjusted for seasonal factors, GDP growth reached 1.6% on a quarterly basis and 5% year-on-year, or 0.1 percentage points more than in the flash estimate. In the last quarter of 2017, Poland's gross national product rose by 1.0% on a quarterly basis and by 4.9% year-on-year.

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