PHARMACEUTICAL

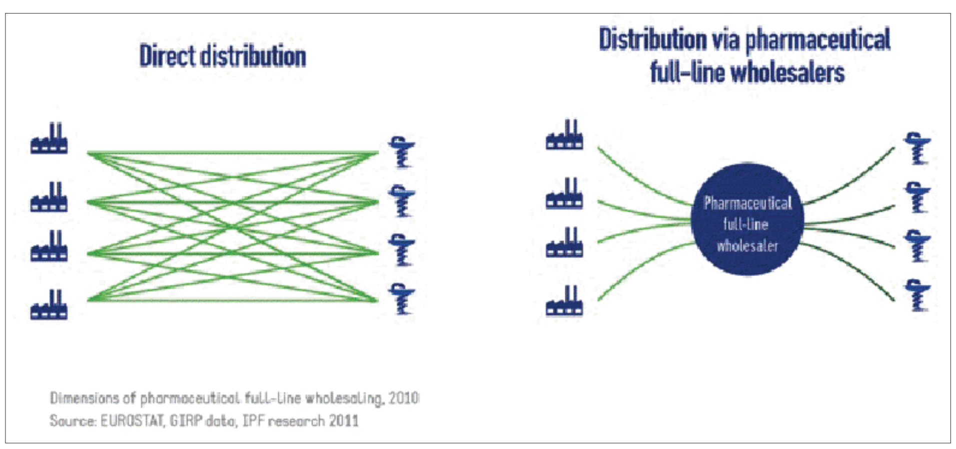
IPF study: Pharmaceutical full-line wholesalers ensure safe, speedy and cost-effective supply of medical products

By Stanislava Gaydazhieva

The European Association of Pharmaceutical Full-line Wholesalers (GIRP) has presented the findings of a study on the distribution sector in six European countries; France, Germany, Italy, Netherlands, Spain and United Kingdom.

The research was conducted by the Vienna-based Institute for Pharmaceconomic Research (IPF). The purpose of the study was to analyse the role and functions of the pharmaceutical full-line wholesalers, as the main providers of medicinal products in comparison to alternative distribution systems. According to the GIRB, the study examines the significance of the full-line wholesaling model from an economic perspective, as well as presenting the benefit for public health in general.

There are currently 772 pharmaceutical full-line wholesalers in Europe that provide medical products around 172,700 retail pharmacies, hospitals and dispensing doctors.



Furthermore, the study reports that annually over 703 million transactions take place between the full-line wholesalers and manufacturers in the markets of the six examined countries. It becomes clear from the data that without the presence of the full-line wholesalers, the number of transactions would increase up to 97.9 billion per year, leading to much higher healthcare bills.

In addition, in 2010 the pharmaceutical full-line wholesalers generated a total turnover of €136 billion in EU 27, of which 67% was in the markets of the examined six countries. IPF also found out that exactly this type of wholesalers cover around three quarters of all medical products sold which assigned them a very important role in the supply of medical products around Europe.

Despite the general positive views on the pharmaceutical full-line wholesalers' distribution (99% of pharmacists in Spain and 90% in France are satisfied with the distribution of full-line wholesalers), their market growth rates are decreasing due to the increasing importance of alternative distribution systems and the increase of direct sales in other countries.

Pharmacists expressed satisfaction also with the delivery time of full-line wholesalers. The average delivery time in the six examined countries is about 2.66 hours. The percentages of satisfaction among pharmacists in Germany is around 92%, in France more than 95%, in the UK 75%, the Netherlands over 86% and around 97% in Spain. The results of the study point out that the immediate availability of medicines saves costs by avoiding hospital admissions, while speed and frequency of the full-line wholesalers leads to the prompt delivery of the medicines.

The IPF also found out that the full-time wholesalers contribute to continuous supply of medical products and secure the cash flow of the social insurers. Additionally, according to the findings of the study, the pharmaceutical full-line wholesalers are the only ones to assume a financial function towards manufacturers and pharmacies and, in this way, pre-finance almost the whole market for medical products (an average of €10.2 billion for a period of 41 days in the markets of the six examined countries).

The study also presents important information on the saving of pharmacy process costs. The results clearly show that the cost difference between a delivery from a manufacturer and a delivery from a full-line wholesaler is €3.38. Furthermore, IPF reveals that without pharmaceutical full-line wholesalers, keeping the same frequency of delivery by other operators, the process cost per pharmacy would increase by €164,992.43 per year.


Director General of the European Association of Pharmaceutical Full-line Wholesalers (GIRP), Monika Derecque-Pois

The director general of the European Association of Pharmaceutical Full-line Wholesalers (GIRP), Monika Derecque-Pois, shared for New Europe her views on the advantages of having full-line wholesalers aligning with the fey findings of the IPF study.

Derecque-Pois explained that through the services of pharmaceutical full-line wholesalers, patients are guaranteed to receive the right medicine, at the right time and in the right place. She also clarified that even in the most distant areas, patients can reply on safe and timely manner of pharmaceuticals distribution by the full-line wholesalers. Additionally, if a particular type of medicine is not available in the pharmacy, it could immediately be made available only the full-line wholesalers. In Derecque's opinion, this is when patients 'witness first-hand the services of pharmaceutical full-line wholesalers'.

The GIRP director general also revealed that without pharmaceutical full-line wholesalers, the costs in pharmacies to get hold of the necessary assortment of medicines would increase from €6,000 to € 80,000 per year per pharmacy, if only half of the medicines needed by pharmacies were delivered directly from manufactures. Furthermore, according to the key findings of the IPF study and GIRP, pharmaceutical full-line wholesalers fulfil a crucial buffer function in holding enough medicines on stock in case of viral out-breaks and other emergencies to bridge peak demands.

The existence of pharmaceutical full-line wholesalers is essential for the European healthcare sector because they ensure a safe, rapid, continuous and cost-effective supply of medicinal products throughout the markets of EU member states. They also significantly contribute to the financing of the European healthcare systems and have been and remain trusted partners for manufactures, pharmacies and patients.


Luis de Guindos Jurado, Spanish Minister of Economy and Competitiveness

ECONOMY

Good news for Madrid and the euro

Amid strong demands, the Spanish treasury raised on 19 April, €2.5 billion in two- and ten- year bonds, at a very slight increase of interest rates cost but which is clearly disproportionate (on the good side) with the current concerns over the country's alleged financial problems.

According to the Spanish ministry of finance, the treasury sold €1.1bn worth of two-year bonds maturing on 31 October 2014 at an interest rate of 3.463%. The auctioned amount was covered 3.3 times by offers from investors, eager to take advantage of the slightly higher interest rates. The treasury raised also €1.4bn through a long term bond sale maturing on 31 January 2022. In this case the interest rate was 5.743% instead of 5.403% compared to a similar auction last January. The issue was covered 2.4 times by investors' offers in relation to 2.2 times in January.

This sovereign debt placement was considered successful, and it helped the euro to gain some grounds against the American dollar. According to analysts, Spain is now seen as the most difficult case amongst the Eurozone countries in distress.

With Greece, Portugal and Ireland absorbed in the effort to attain the targets set by the programmes drafted for them by the troika of the EU-ECB-IMF, and Italy being at the safe side at least for the time being, it seems that only Spain remains for 'testing' by 'market forces'. Incidentally, a market commentator said that, until Madrid can prove that it can apply to the letter the programme it drafted for itself containing additional economies of €10bn, and also providing for large reduction of deficits in the 17 regions of the country, investors will continue to consider Spain as a grey area.

In any case this strong comment is not justified after today's successful bond placement by the Madrid treasury.