

GIRP on regulation and legislation

Europe's full-line pharmaceutical wholesalers have welcomed increased regulation of good distribution practices, but they have strong opinions about the shape of new legislation, particularly where anti-counterfeiting measures are concerned.

GIRP, the European association of full-line pharmaceutical wholesalers, is disappointed with some elements of the European Commission's pharma package – a suite of legislative proposals covering information to patients, counterfeiting and pharmacovigilance that a council of European ministers examined last week. The association reaffirmed its positions at its 50th annual meeting in Athens, Greece, even as the ministers were meeting in Brussels.

The association's chief concern is the way the legislation defines various intermediaries in the supply chain. The proposals group together the trading of medicinal products with wholesale distribution, but questions of ownership and physical possession of pharmaceutical products have not been adequately addressed, the association says.

René Jenny, GIRP's president, is unable to quantify the role of brokers in Europe's pharmaceutical supply chain, but he insists that brokering and trading are separate activities and should be treated separately.

GIRP agrees with the thrust of the proposed anti-counterfeiting legislation: that a complex distribution chain is only as strong as its weakest link. But it says that every person or organisation involved in bringing medicines from the manufacturer to the patient should be licensed, controlled and inspected.

Monika Derecque-Pois, GIRP's director-general, says that too many wholesaling licences are approved in many European countries. She recommends that unused licences be subject to a sunset clause: a full inspection should precede any reactivation. GIRP's aim is to erase the risk of counterfeit medicines entering Europe's legitimate supply chain. Many European countries have adopted track-and-trace systems for pharmaceutical products, including Italy, Belgium, Spain; Turkey has almost adopted a coding and identification system.

GIRP agrees with EFPIA that a single, global solution for product identification is required. Myriad anti-counterfeiting measures continue to frustrate the creation of a single market in pharmaceutical products, GIRP says.

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Wholesalers look to innovate

Europe's full-line pharmaceutical wholesalers insist that they make a vital contribution to public health, but with their business model under pressure from many sides, they are responding with innovation and renewed lobbying. "Future success will not come from yesterday's behaviour," IMS Health's Doug Long told delegates at the 50th annual meeting of GIRP, the wholesalers' association, in Athens, Greece.

Direct-to-pharmacy distribution began spreading from the UK to other European markets around three years ago, forcing full-line wholesalers to rethink the way they do business. Without sales commissions from expensive drugs to subsidise the distribution of low-cost and generic products, many wholesalers would be unable to survive. Full-line wholesalers are now trying to develop a sustainable remuneration system, and several trends are emerging.

Collecting fees for services rendered may be a way around the problem, but this involves persuading overstretched public health authorities to part with cash. Germany may already be moving towards a system in which wholesalers would collect a per-pack fee as well as a small commission in return for maintaining a full line of products for distribution to the country's pharmacies.

Some wholesalers have begun to think of pharma companies as customers, rather than as suppliers, and they are becoming more focused on the exact nature of the services they provide. Celesio's Wolfgang Mähr said his company had created a manufacturer solutions division. One area where wholesalers could add value was in the area of compliance – finding ways to encourage patients to take medicines as they have been prescribed.

"We have to get manufacturers to recognise what we do," said Liam Fitzgerald, CEO of United Drug. He noted that his company now derives 60% of its revenue from activities outside the scope of traditional pharmaceutical wholesaling, including the operation of a call centre for patients, compounding and packaging. He saw scope for wholesalers to become more involved in commercialising pharmaceuticals. "Wholesaling is more than moving boxes," he said.

Wholesalers at the Athens meeting were urged to expand their customer base by offering new services not only to manufacturers, but to patients and their traditional customers in retail pharmacies.

Alongside moves to widen the range of

services they provide, full-line wholesalers continue to promote their main business: delivering the right medicines to the right patients in the right place at the right time.

GIRP lobbies public officials throughout Europe for greater recognition of the public service full-line wholesalers provide and there are signs that the message is getting through.

Georgette Lalès, director in the European Commission's enterprise directorate-general, said that distribution had become a focus and work in this area would continue once a new commission (and a new enterprise and industry commissioner) was in place.

She said that the directorate-general was planning a market-monitoring exercise to investigate the EU's 27 pharmaceutical markets in operation. A next-generation Pharmaceutical Forum would also bring together all the companies and organisations with an interest in pharmaceutical distribution to see whether EU legislative changes were necessary or desirable.

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