

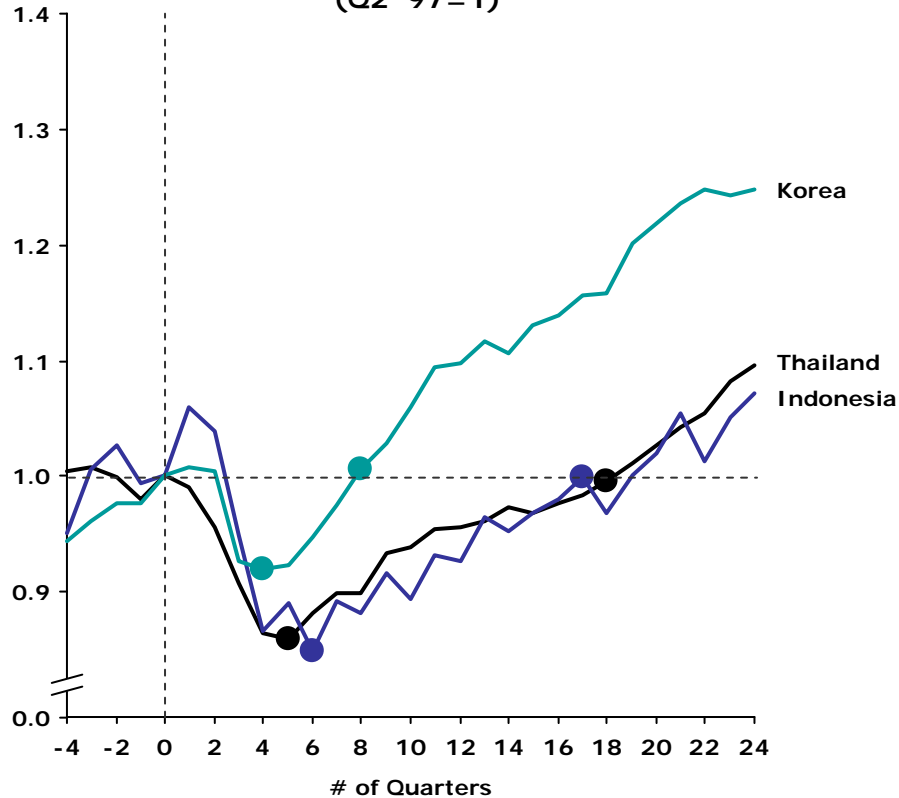
Impact of the Economic Crisis on the Global Pharmaceutical Sector

Richard Laing MIE/EMP &
Iris Buysse (University of Utrecht)
with materials provided by Peter Stephens
from IMS Health
April 2010



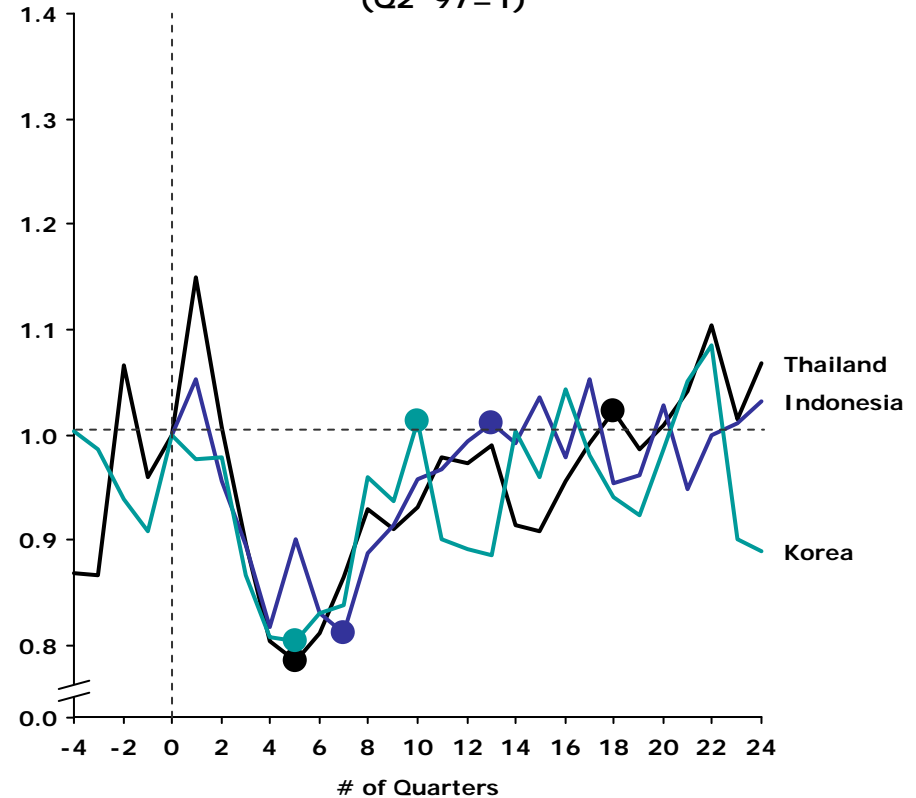
In the 97-99 Asian crisis consumption declines lagged GDP decline.

Real GDP (LCU)
(Q2 '97=1)



Q₀ = Q2 '97

Drug Consumption (SU)
(Q2 '97=1)



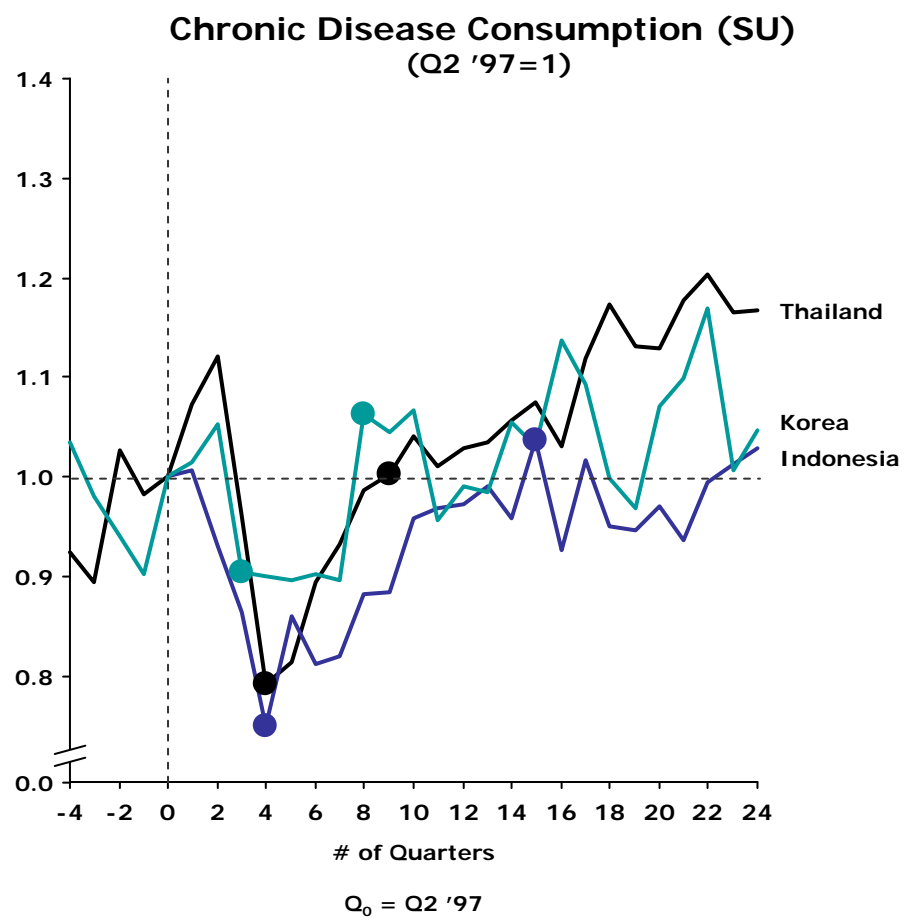
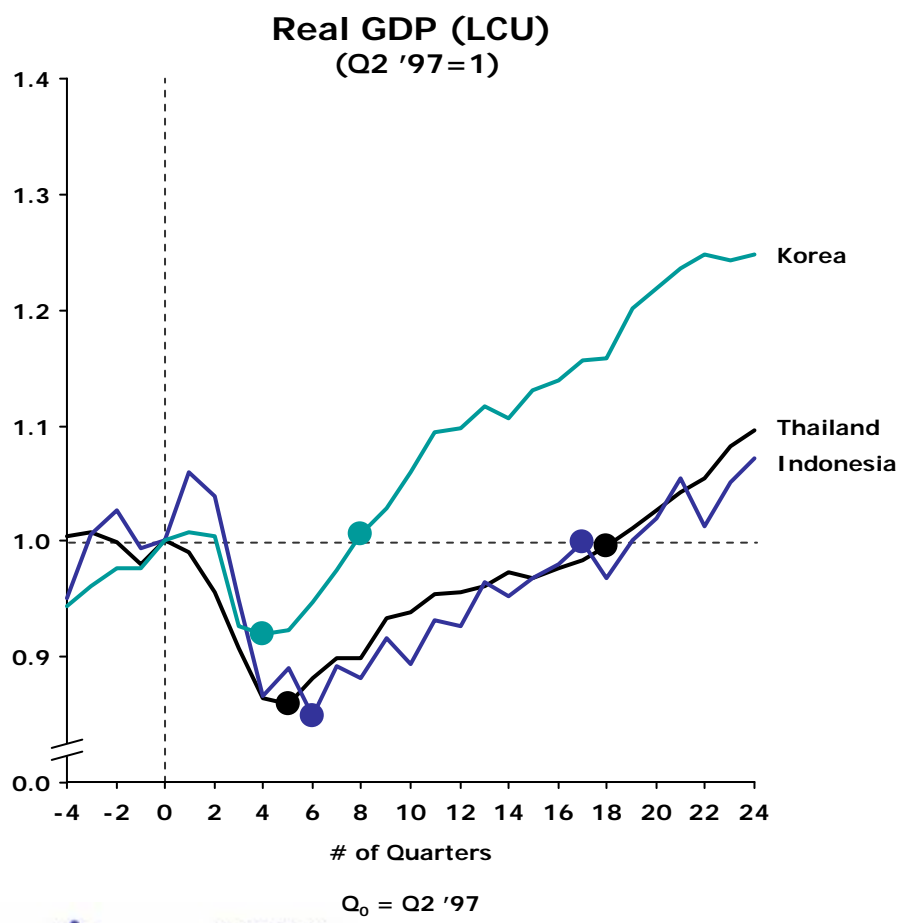
Q₀ = Q2 '97

Source: IMS Midas

Source: ????



Chronic disease consumption recovered quicker than overall consumption.



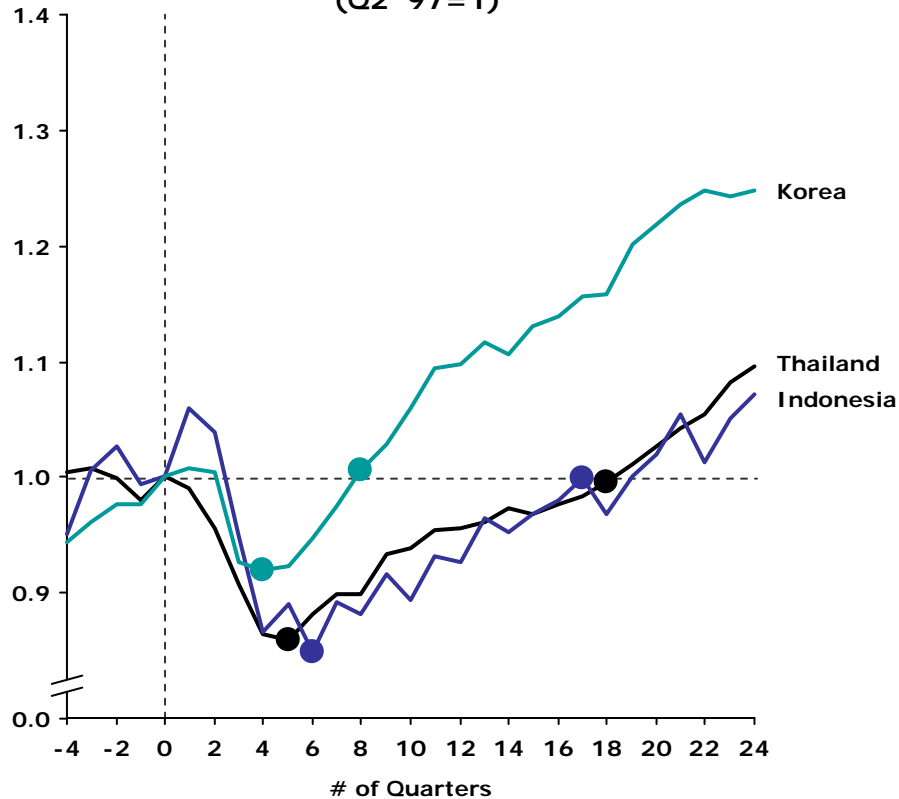
Source: WHO

Source: IMS Midas



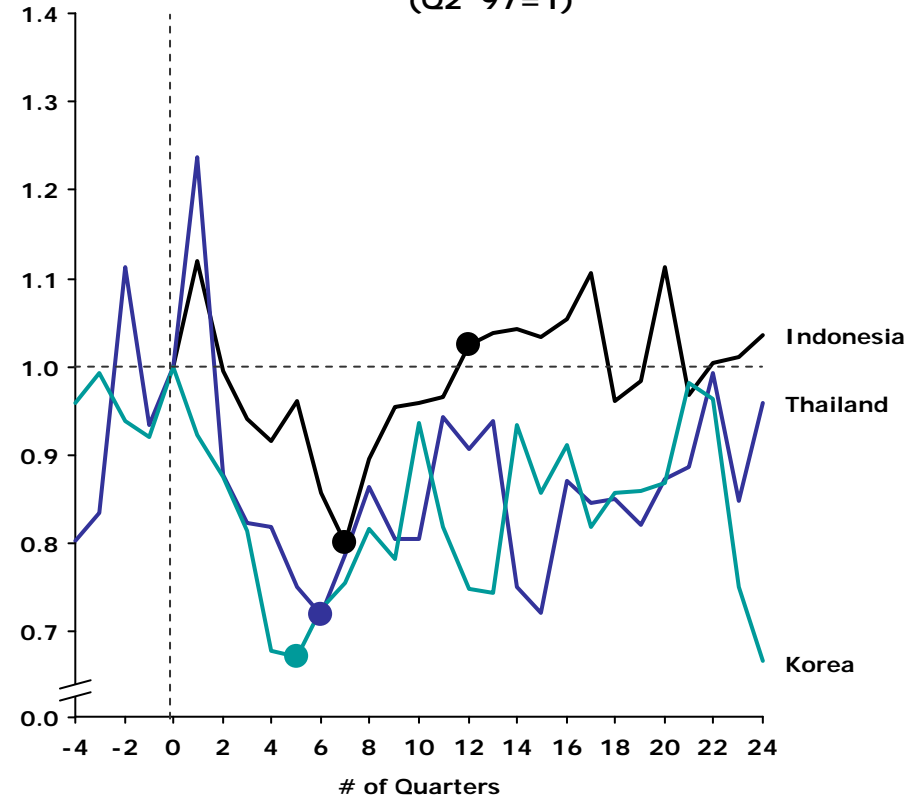
Acute disease drug consumption recovers more slowly than GDP.

Real GDP (LCU)
(Q2 '97=1)



Q₀ = Q2 '97

Acute Disease Consumption (SU)
(Q2 '97=1)



Q₀ = Q2 '97

Source: WHO

Source: IMS Midas



The WHO, in collaboration with IMS, has established a programme to monitor the impact of the 08/09/?? recession

- 83 countries, approximately 81% of global population, quarterly reports (Small, poor and African countries missing)
- Impact on consumption (Lagging indicator)
 - Total volume
 - Volume of acute and chronic medicines
 - Movement to or from original and licensed branded medicines

Impact on expenditure (Leading indicators)

- Total expenditure
- Average price per unit of volume (SU)



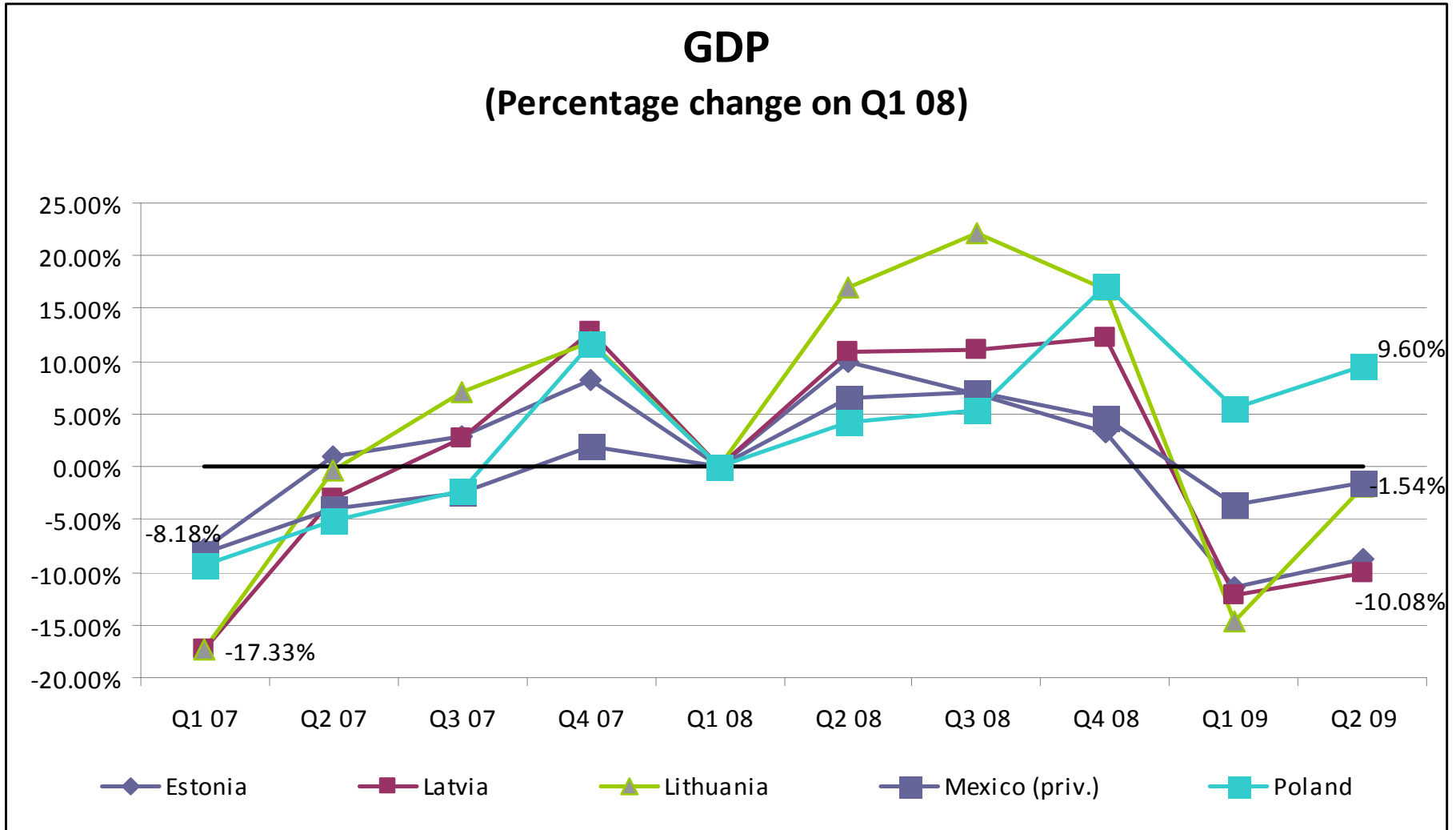
IMS Data Sources and Analysis Methods

- IMS collects data on consumption and prices at one point in the distribution channel.
- Data generally collected from private sector but in many countries the private sector supplies the public sector. Generally do not capture tender data
- In some countries only captures hospital data (e.g. China)
- Uses the same point and methods in each country, so good for detecting changes less so for cross country comparisons
- Volume data is more reliable than pricing data

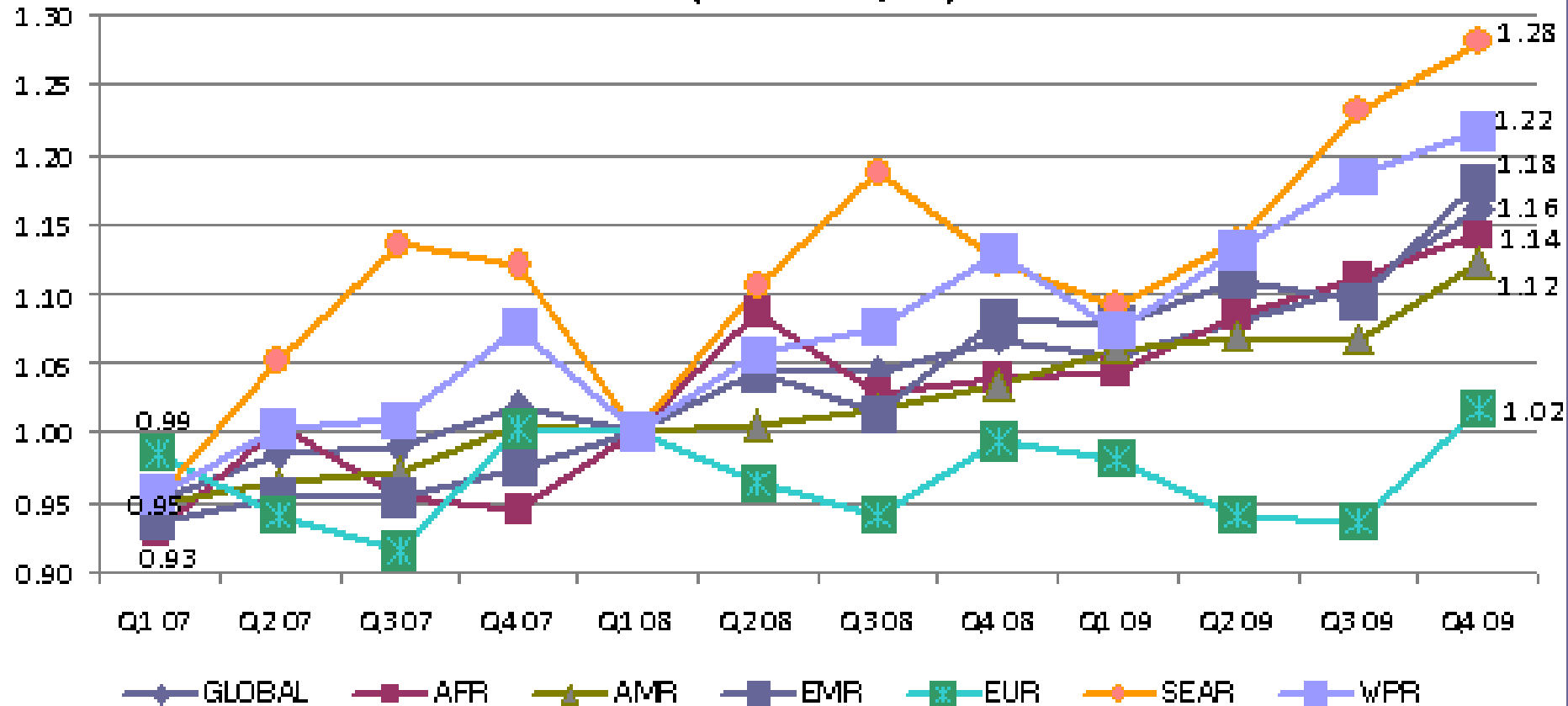


GDP

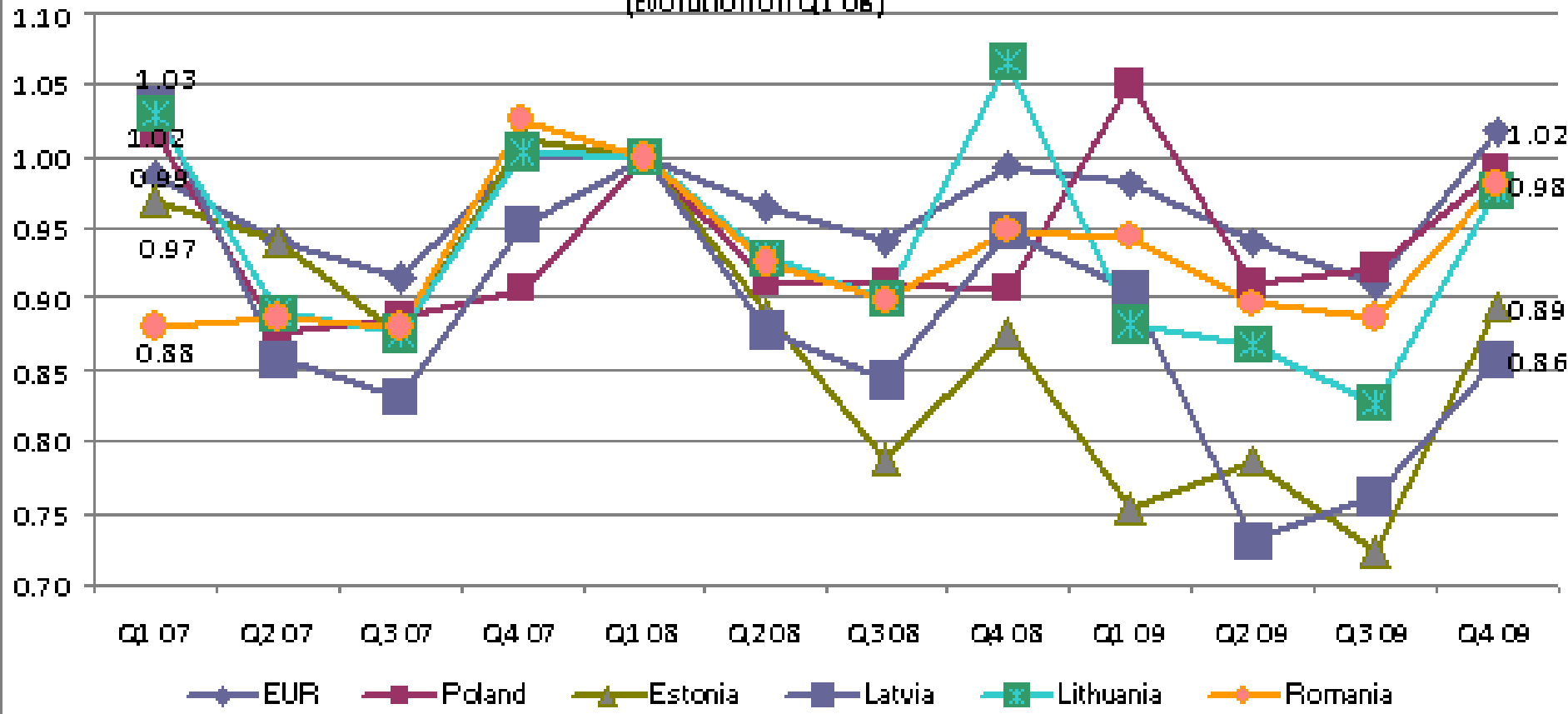
GDP
(Percentage change on Q1 08)



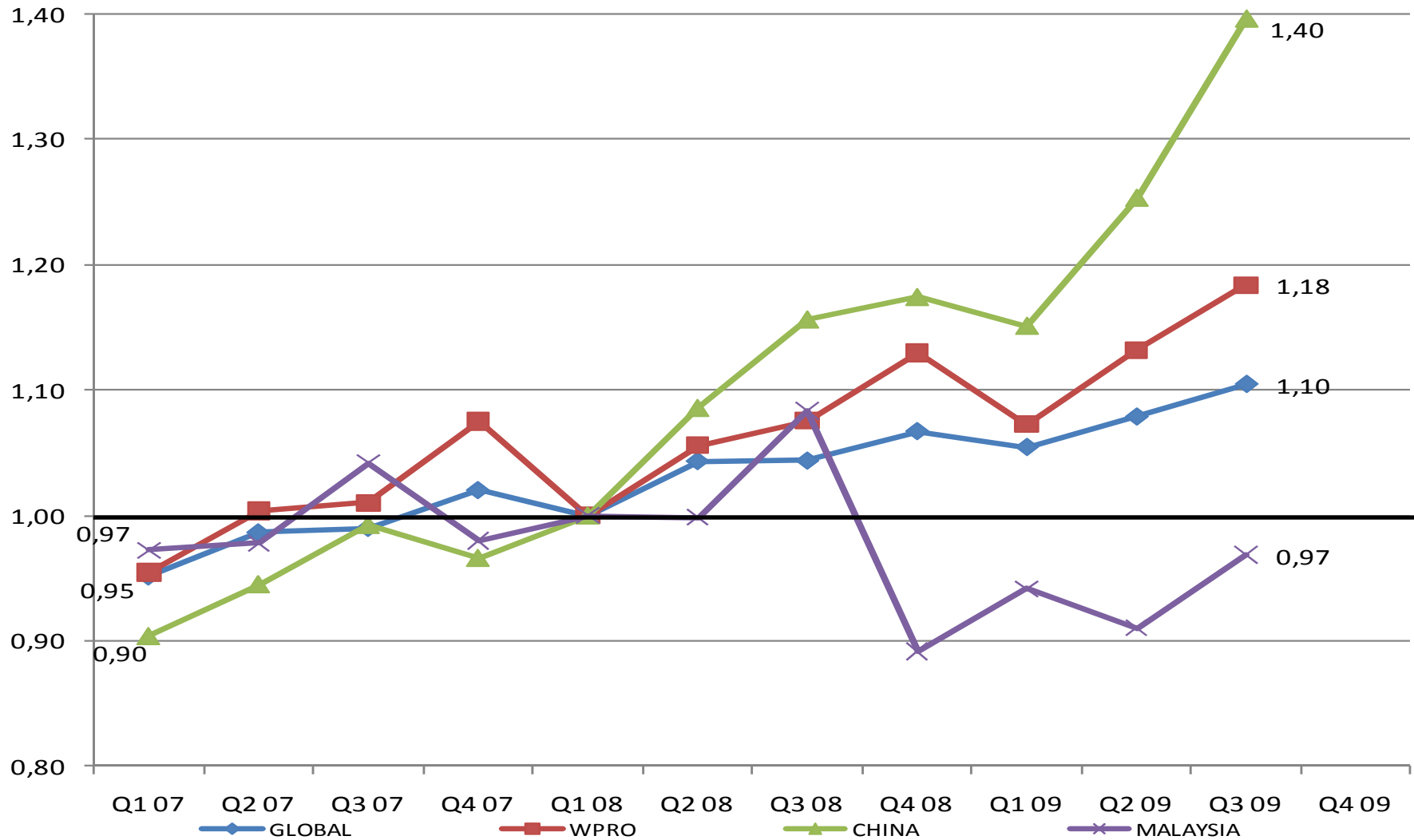
Average pharmaceutical consumption index Global and WHO regions (Evolution on Q1 08)



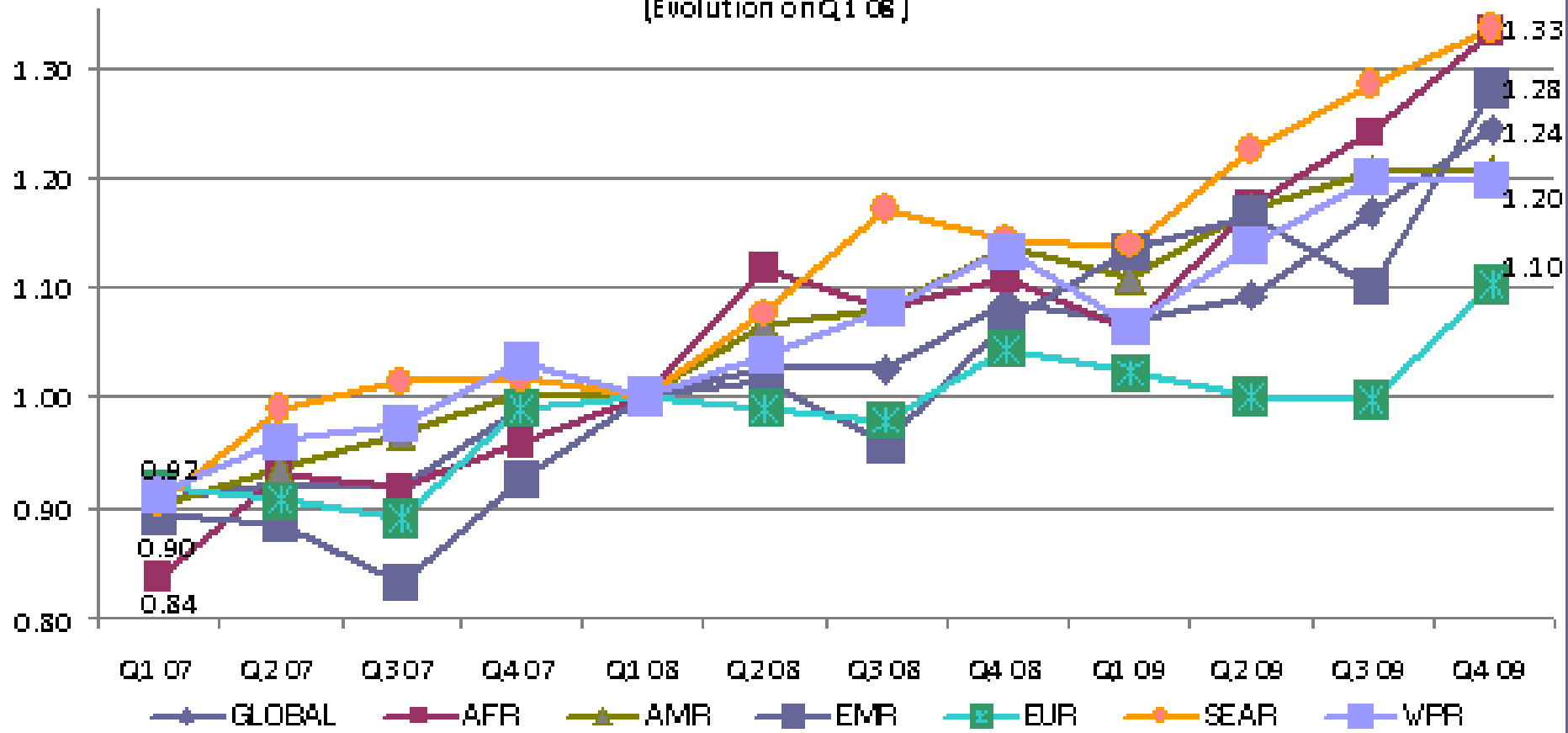
Pharmaceutical consumption EUR, Poland, Romania and Baltics (Evolution on Q1 08)



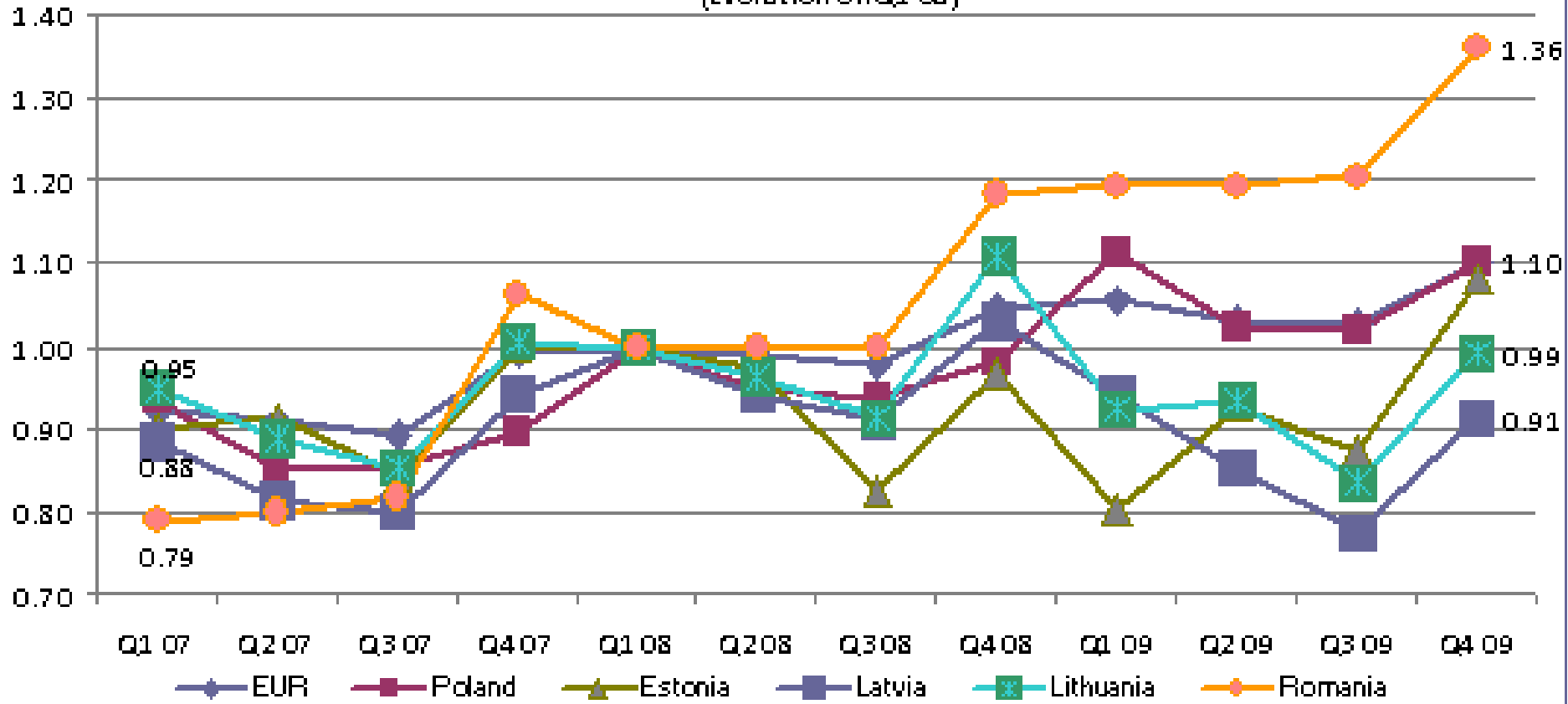
Consumption Global, WPRO, China and Malaysia (Evolution on Q1 08)



Average pharmaceutical expenditure index Global and WHO regions (Evolution on Q1 08)



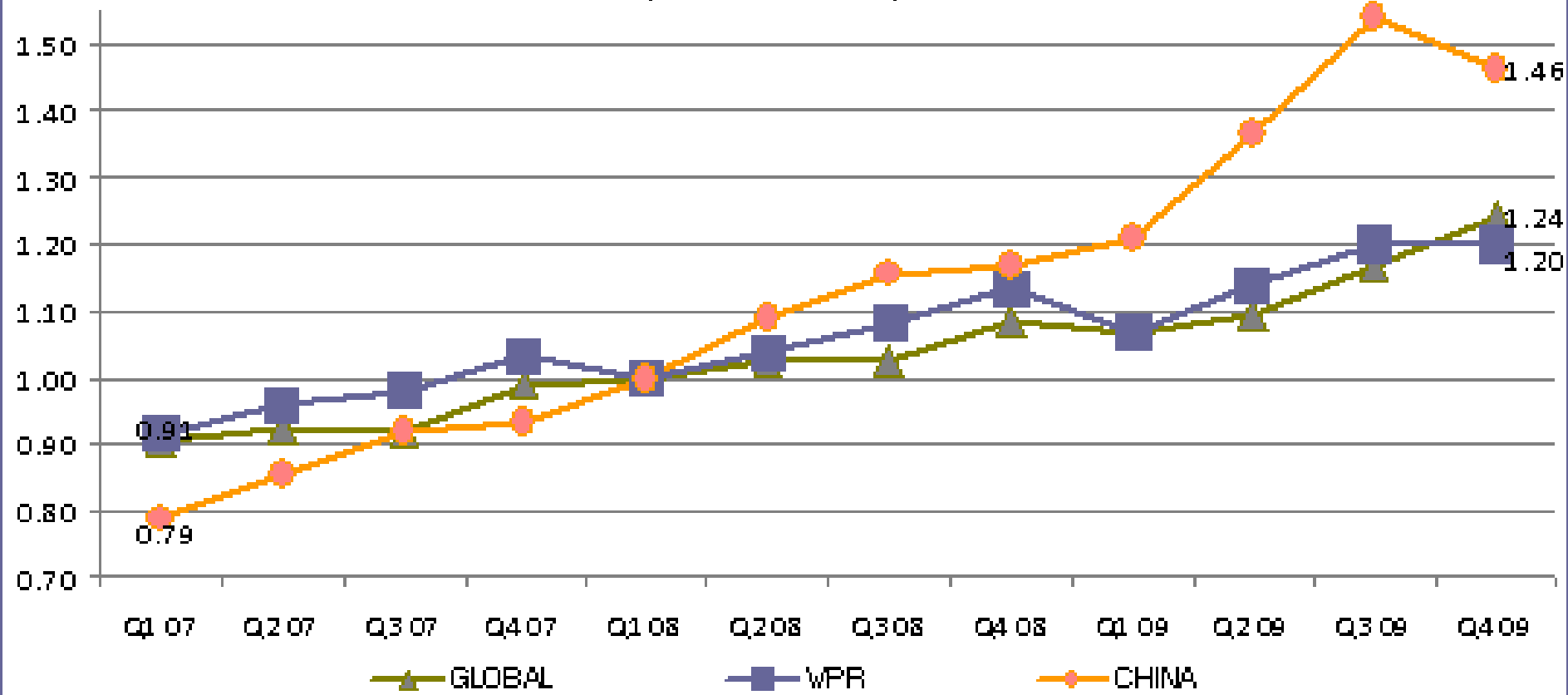
Average pharmaceutical expenditure index
EUR, Poland, Romania and Baltics
 (Evolution on Q1 08)



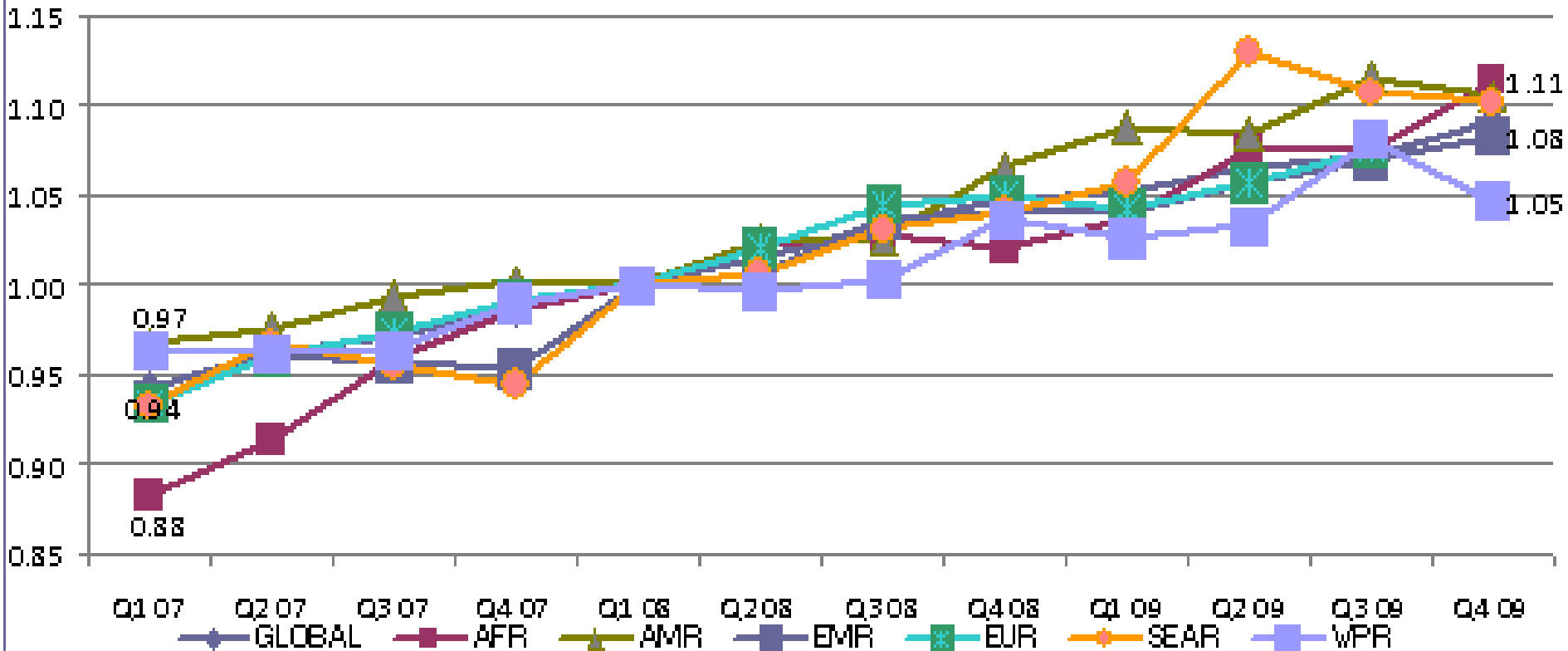
Average pharmaceutical expenditure index

WPR and China

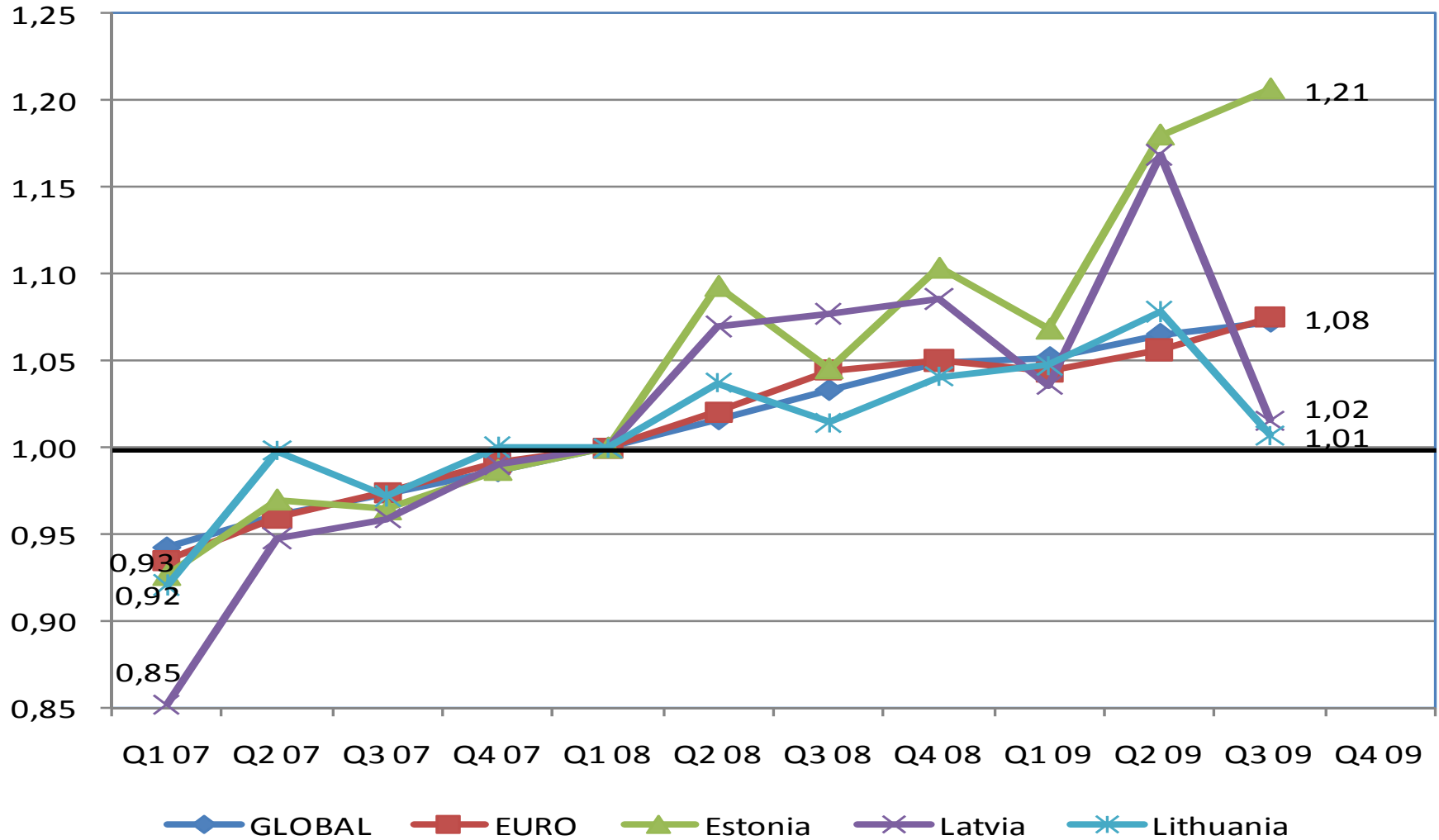
(Evolution on Q1 08)



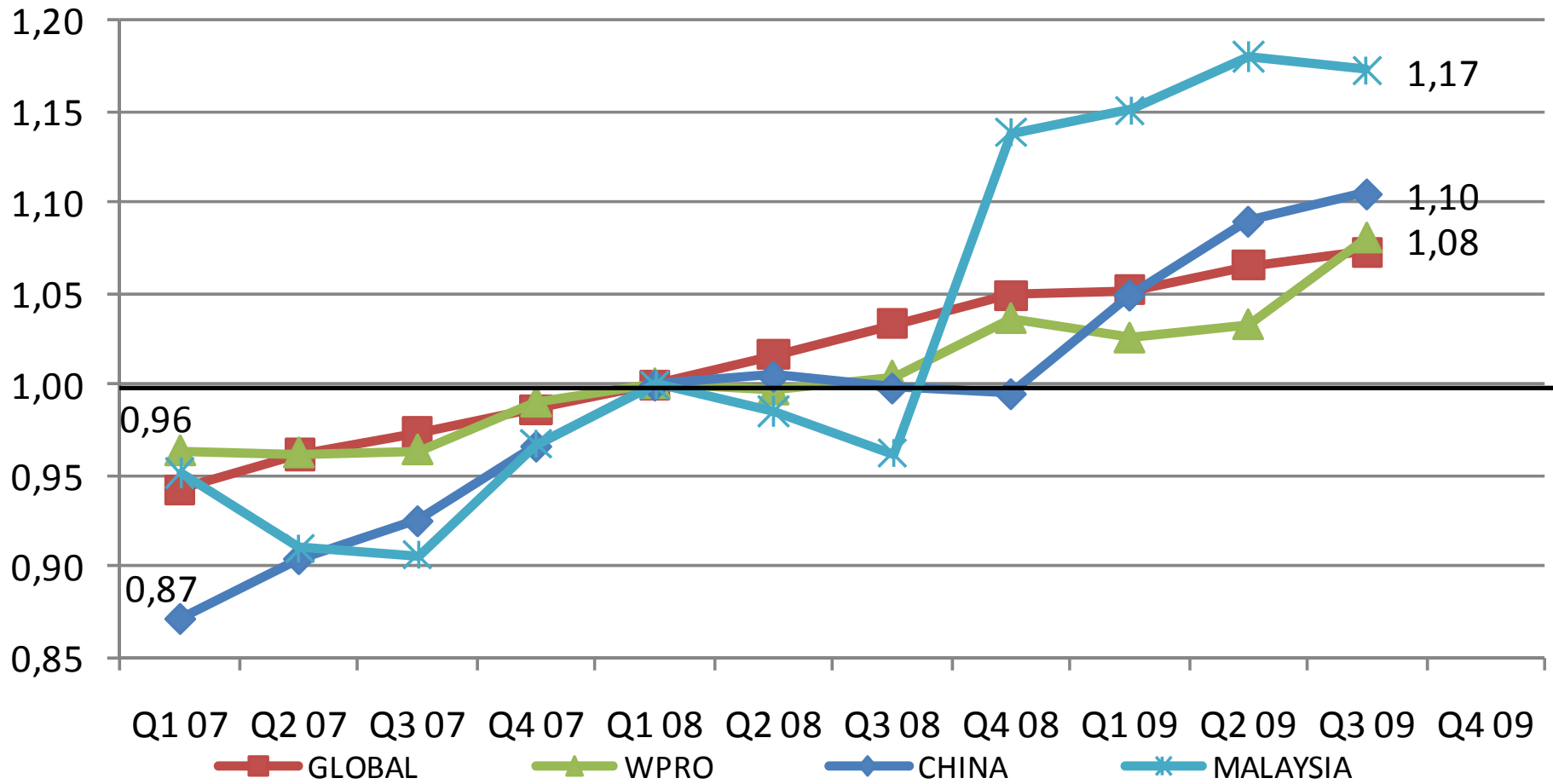
Average price per IMS Standard Unit index Global and WHO regions (Evolution on Q1 08)



Price per IMS Standard Unit Global, EURO, Baltics (Evolution on Q1 08)



Price per IMS Standard Unit WPRO, China and Malaysia (Evolution on Q1 08)



Further work to be undertaken in 2010

- Meet to discuss further work to be done in Baltic states to link IMS consumption data with social security utilization & claims data. Possibly involve Iceland
- Interim report for WHO Executive Board 2010
- Full report for World Health Assembly 2010
- Source data available on request for further analysis



Conclusions of IMS reports to date on Impact of the recession

- No firm evidence of a negative impact except in Baltic countries and possibly Malaysia
- So far most countries seem to have absorbed the moderate price increases without a loss in medicine consumption
- Confident that the data collection methods and the analytic tools available will enable us to detect significant changes as soon as they occur
- When such changes are detected, governments have a range of policy instruments to alleviate the situation

