



BRITISH GENERIC MANUFACTURERS ASSOCIATION

Wednesday, May 23rd, 2012

## New Initiative On the Generic Pharmaceutical Industry

Press Release

The British Generic Manufacturers Association (BGMA) and the Department of Health have agreed work to explore potential challenges to the sustainability of the generic pharmaceutical industry in England. Based on proposals in an Action Plan from the BGMA, the Department will facilitate conversations across government to understand issues and to identify where appropriate action can be taken. The initiative was announced at the BGMA's Annual General Meeting, which was attended by Health Minister, Lord Howe.

Michael Cann, Chairman of the BGMA, said:

"The UK generic industry is proud of the contribution we make to the NHS and to patients. By providing high quality, low cost medicines to the NHS we not only reduce costs but we ensure that patients benefit from the greater availability of medicines: our lower prices mean that clinicians can and do prescribe the medicines that their patients need that would otherwise have not been affordable.

"Our prices are currently amongst the lowest in Europe, if not the world; and we are seeing greater margin pressure from our customers. Competitive, yet reasonable prices are required if we are to fund the necessary development of the more complex medicines, including biosimilars, that our industry needs to develop if we are to continue to make the contribution that we do now. And we need to ensure the continuation of our current vibrant, competitive multi-source market to deliver these benefits.

"We must also ensure that there are no unnecessary barriers to generics' entry to the market, and that regulation is proportionate. The European Commission's sector inquiry identified a number of barriers, and our own work and the commentaries of others have added to the list. It is right therefore as an industry that we should work with the Government to look holistically at the generic pharmaceutical marketplace to ensure that it is as efficient as possible."

Health Minister Lord Howe said:

"Suppliers of generic medicines make a valuable contribution to the UK pharmaceutical industry. Prescribing generic medicines, where appropriate, helps ensure better value for money for both the NHS and the taxpayer.

"The NHS continues to improve the way it utilises its resources and promoting the widespread use of generic medicines is one of several robust measures the Government has put in place to make sure we get the best value from what the NHS spends on drugs. This will create savings, which will in turn be invested in new and innovative treatments for patients.

"We will work with the BGMA to help take forward their work on tackling the challenges to the generic medicines industry."

ENDS

For further information contact:

Jeremy Durrant, 0207 866 7883 / 07792 918648

[Jeremy.durrant@britishgenerics.co.uk](mailto:Jeremy.durrant@britishgenerics.co.uk)

Notes for Editors:

The British Generic Manufacturers Association represents the interests of UK-based manufacturers and suppliers of generic medicines and promotes the development and understanding of the generic medicines industry in the United Kingdom.

Generic medicines contain the same active ingredient and are as effective as the equivalent brand and cost much less, making the NHS drugs bill affordable. More than two thirds (67.4%) of all medicines dispensed by the NHS are generics yet they cost only 29.6% of the NHS drugs bill, a saving of around £9.5bn\* in England & Wales alone. Without generics, the NHS drugs bill would be approximately twice its current level. The average cost to the NHS of a generic medicine is £4.01, whilst the average cost of a branded medicine is £19.73. Competition from generics also stimulates the research based pharmaceutical industry to develop new medicines.

Our 23 members account for around 85% of the UK generics market by volume. Their work keeps medicines affordable for the Department of Health which allows further investment in other healthcare priorities, and promotes innovation in the development of new medicines.

We represent the views and interests of our members and industry to the UK government, the devolved administrations, regulators, other relevant third parties, including where appropriate the Institutions of the European Union.

\* The saving of £9.5bn per year due to generic competition is based on a calculation of what the NHS drugs bill would be if all prescription medicines cost the NHS the average price of branded drugs, i.e. without the impact of lower priced generic medicines.