

Industry News

Big Pharma is moving ...

It has been rumoured for some time that, under increased regulatory pressure and for considerations of healthcare cost sustainability in Europe and the US, the pharmaceutical industry may reposition towards growing markets in the east. Early evidence of this came in February 2009, when Bayer Schering Pharma AG announced plans to invest about Euros 100 million (US\$128 million) over the next five years to establish an R&D centre in China.

Bayer Chairman, Mr Andreas Fibig, was optimistic about China's business development, stating that "in the health care sector, we are seeing no economic downturn at the moment." Bayer HealthCare Managing Director in China, Mr Liam Condon, said it was anticipated that the Chinese healthcare market would grow more than 20% in the next few years and the company was expected to exceed that pace. In 2008, Bayer saw growth of more than 50% in the country, according to Fibig.

The company explained that the centre will benefit Asian patients by systematically including Asian patients earlier in global drug development, breaking the tradition of "US and EU first". This supports the prediction that the pharmaceutical industry will look for new markets based on genetically determined differences in response to existing drugs, rather than by inventing totally new compounds.

www.bayer.com

The new strategy was confirmed when in March 2009 Merck and Schering Plough announced their intention to merge, having collaborated since 2006. The new Merck will be a giant company valued at US\$41.1 billion (Euros 30.6 billion). That moving outside the US is part of the group's global strategy was confirmed by Merck CEO and President, Mr Richard Clark, who said the new company would benefit from "an expanded presence in key international markets, particularly high-growth emerging markets." Merck also expects to achieve cost savings of approximately US\$3.5 billion (Euros 2.6 billion) annually beyond 2011 in addition to costs saved already by both companies.

www.anewmerck.com/index.php?action=accept&page=home

EAHP symposium assessed the role biosimilars play in practice

The successful introduction of EU biosimilar erythropoietins, such as Retacrit (epoetin zeta) gives hospital pharmacists the opportunity to reduce costs and improve the treatment of patients with anaemia. Hospira used the 14th EAHP Congress in Barcelona, Spain, to present a "Checklist" based on the article *Points to consider in the evaluation of biopharmaceuticals*, Eur J Hosp Pharm Prac. 2008;14(1):75-6, designed to guide pharmacists in the assessment and evaluation of biopharmaceuticals for inclusion in a hospital formulary.

The symposium was chaired by Professor Roger Tredree, an authority in the field. "Decisions to include medicines in the hospital formulary should be evidence based and not rely on subjective judgement, to ensure patients receive the best possible treatment", he said. The checklist is intended to contribute to medical professionals' confidence in this innovative treatment option.

Gardasil vaccination is still recommended

The EMEA has reviewed the available information on two cases of status epilepticus with myoclonus (repeated and prolonged seizures and loss of consciousness) reported in two girls vaccinated with the same batch of Merck's cervical cancer vaccine Gardasil in Spain.

Based on the current data, the Agency's Committee for Medicinal Products for Human Use has concluded that the cases are unlikely to be related to vaccination with Gardasil and that the benefits of Gardasil continue to outweigh its risks. Therefore the Committee is recommending that vaccination with Gardasil should continue in accordance with national vaccination programmes in Member States. www.emea.europa.eu/pressoffice/emea.htm

Pfizer's fortunes continued

Pfizer is to buy Wyeth for US\$68 billion (Euros 50.3 billion) in cash. The cost-cutting reported previously will go deeper, reducing the combined workforce of the two companies by 15%, or some 20,000 jobs. The company undertook similar cost cutting when it acquired Warner-Lambert for US\$90 billion (Euros 66.5 billion) and Pharmacia for US\$60 billion (Euros 44.3 billion), sparking criticism because of the brutal staff cutbacks.

But the Wyeth merger is not about "a single product or cost-cutting" this time. Instead, "it is about creating a broad, diversified portfolio." This could be true because Pfizer desperately needs new drugs. Currently 25% of its revenues come from Lipitor, due to lose patent protection in November 2011. In fact, looming patent expiries mean Pfizer could lose 70% of its 2007 revenues by 2015, and there are no potential blockbusters in its near-term development pipeline.

Wyeth has been struggling with similar problems. Its two biggest drugs, Effexor for depression and Protonix for heartburn, are coming off patent in 2010 and 2011, respectively. A final large number: Wyeth CEO, Mr Bernard Poussot could get about US\$53 million (Euros 39.3 million) if he leaves the combined company following the acquisition.