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Generics driving pharmerging market growth? 'There is still opportunity for EU' says Medicines for Europe

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GDP growth and low-priced generics in pharmerging countries have contributed to the growth of Asia Pacific's pharmaceutical market, which has surpassed Western Europe as the second largest globally, says report.

According to the report – published by Business Research Company – Asia Pacific is set to grow by 8.4% annually over the next three years, *"fuelled by increased affordability of drugs resulting from the launch of low-priced generics."*

Asia Pacific includes most of East Asia, South Asia, Southeast Asia, and Oceania.

The US – worth 25% of global share alone – remains the largest global market, but is *"restraining global growth by rising at below 5% a year, while the much smaller markets of India and China are both achieving double that pace."*

According to the report, gross domestic product (GDP) growth of more than 6% in pharmerging countries India and China is also contributing to the region's healthcare market expansion.

"Asia Pacific has overtaken Western Europe as the second largest region," it added.

But Medicines for Europe's director general Adrian van den Hoven told us there is still opportunity for growth of generic penetration in many European countries.

"The situation is different across Europe with some countries having very high penetration rates that are similar to the US – like the UK or Germany – and some having room for growth, like France, Spain, Portugal or Italy."

For example, in Spain, price alignment between reference and generic medicines is hindering generic penetration, said van den Hoven.

While the Spanish government is considering the reintroduction of a price differential between generic and reference medicines, currently there is *"no incentive for doctors to prescribe or pharmacists to dispense generic medicine,"* he told us.

The French government is similarly taking measures to stimulate generic use, by initiating prescriber incentives in hospitals, he added.

Additionally in Portugal – whereby an *"obscure patent linkage system"* encourages the originator industry to litigate against generic companies – added costs and delays are hampering generic penetration, said van den Hoven.

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