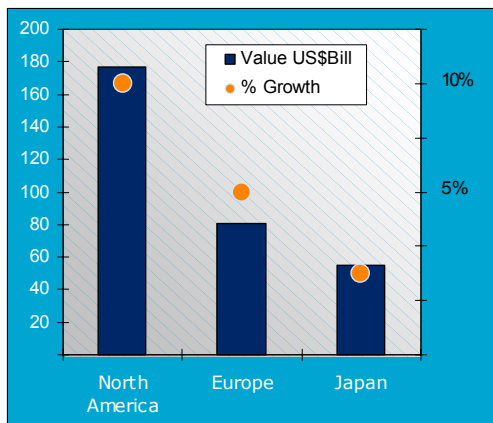


# IMS Retail Drug Monitor

Tracking 13 Key Global Pharma Markets

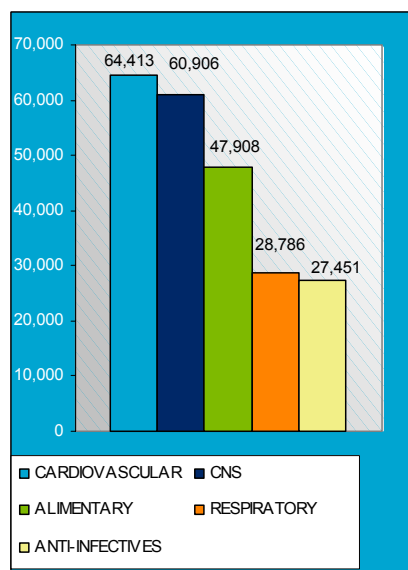
12 months to May 2004

## Regional Sales Breakdown: \$US Billions



Source: IMS Health

## Therapy Sales Breakdown: \$US Millions



Source: IMS Health

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**IMS HEALTH**, the global healthcare information company, today reported a 8% growth in drug sales through retail pharmacies in 13 key markets in the 12-month period from June 2003 through to May 2004, closing at US\$330 billion.

*IMS Retail Drug Monitor covers direct and indirect pharmacy channel purchases from wholesalers and manufacturers in 13 key countries. Sales figures are at ex-manufacturer prices and include all prescription and certain over-the-counter data. Figures include sales from the hospital sector in Japan and mail order in the USA.*

- Retail pharmacy sales for these key markets had an 8% growth at constant exchange to May 2004, a slight decrease compared to our last survey.
- Sales in the top five **European** markets showed a 6% constant exchange growth, a slight decrease to last months survey.
- **North America** posted a 10% sales growth at \$177 billion in sales in the 12 months to May. The Key therapy growth area for North America was the Central Nervous System group with a 23% growth which remained the same as our last survey results.
- **Japan's** overall growth at constant exchange was 3%, a slight decrease compared to our last survey, with a market worth \$54.81 billion in the 12 months to May 2004.
- US dollar Growth in the three **Latin American Markets** improved slightly during this period.
- By **therapeutic category** the biggest increase worldwide was the blood agents category with a sales growth at constant exchange of 15%.
- The **single largest therapeutic sub category** in dollar sales continues to be the C10, hypolipidemia, class selling \$24.38 billion with a growth of 13% in the 12 months to May 2004. The second biggest group is the A2, anti-ulcerants, class at \$21.49 billion and a 5% growth.
- The **best selling drug** for the 12 months ending May 2004 was still Lipitor, worth over \$9.6 billion, with growth at 12%. Nexium has the largest growth at the top with 40%. The five top drugs are 1. Lipitor, 2. Zocor, 3. Norvasc, 4. Nexium, 5. Prevacid (Ogastro).
- The top 5 **corporations** in the year to May 2004 in order continued to be: 1: Pfizer, 2. GlaxoSmithKline, 3. Merck, 4. AstraZeneca, 5, Novartis.

## KEY COUNTRY DRUG PURCHASES - RETAIL PHARMACIES

### IMS HEALTH - RETAIL DRUG MONITOR: 12 MONTHS TO MAY 2004

	12 MONTHS MAY 2004 US\$ MILLIONS	12 MONTHS MAY 2003 US\$ MILLIONS	% GROWTH US\$	% GROWTH AT CONSTANT EXCHANGE*
<b>SELECTED WORLD</b>	330,003	289,548	14	8
<b>NORTH AMERICA</b>	177,144	159,583	11	10
U.S.A.	167,852	152,154	10	10
CANADA	9,293	7,428	25	10
<b>EUROPE (leading 5)</b>	80,635	66,376	21	6
GERMANY	23,517	19,537	20	5
FRANCE	19,772	16,211	22	6
ITALY	13,701	11,466	19	4
UNITED KINGDOM	14,163	11,673	21	11
SPAIN	9,482	7,489	27	10
<b>JAPAN (*including Hospital)</b>	54,816	49,175	11	3
<b>LATIN AMERICA (leading 3)</b>	12,589	10,811	16	21
MEXICO	6,257	6,063	3	11
BRAZIL	4,638	3,568	30	30
ARGENTINA	1,694	1,180	44	44
<b>AUSTRALIA/NEW ZEALAND</b>	4,818	3,603	34	9
<b>THERAPEUTIC CATEGORY</b>				
1 CARDIOVASCULAR	64,413	56,138	15	8
2 CENTRAL NERVOUS SYSTEM	60,906	51,283	19	14
3 ALIMENTARY/METABOLISM	47,908	42,940	12	6
4 RESPIRATORY	28,786	26,792	7	3
5 ANTI-INFECTIVES	27,451	24,916	10	5
6 MUSCULO-SKELETAL	21,079	17,630	20	14
7 GENITO-URINARY	17,938	16,406	9	5
8 CYTOSTATICS	15,689	13,359	17	11
9 DERMATOLOGICALS	9,845	8,916	10	5
10 BLOOD AGENTS	11,568	9,469	22	15
11 SENSORY ORGANS	6,672	5,838	14	8
12 DIAGNOSTIC AGENTS	6,028	5,192	16	9
13 HORMONES	5,280	4,523	17	10
14 MISCELLANEOUS	4,007	3,900	3	(2)
15 HOSPITAL SOLUTIONS	1,966	1,840	7	(1)
16 PARASITOLOGY	467	407	15	10

\*Constant Exchange takes out the effect of fluctuating exchange rates

## KEY COUNTRY DRUG PURCHASES - RETAIL PHARMACIES

### IMS HEALTH - RETAIL DRUG MONITOR: 12 MONTHS TO MAY 2004

	US		JAPAN		GERMANY		FRANCE		ITALY		UK	
	\$M	+	\$M	+	\$M	+	\$M	+	\$M	+	\$M	+
<b>TOTAL</b>	167,852	10	54,816	3	23,517	5	19,772	6	13,701	4	14,163	11
CARDIOVASCULAR	29,723	11	11,055	5	4,999	(1)	4,546	2	3,520	6	3,606	13
CENTRAL NERVOUS SYST	38,867	16	4,315	9	3,460	10	3,251	7	1,803	4	2,793	12
ALIMENTARY/MET.	23,752	7	8,056	2	3,659	4	2,892	3	1,961	4	2,083	7
ANTI-INFECTIVES	13,798	8	5,843	0	1,724	2	1,706	5	1,241	(2)	479	5
RESPIRATORY	15,339	2	3,658	(5)	1,776	1	1,724	4	1,137	1	1,638	8
MUSCULO-SKELETAL	10,902	18	3,536	4	1,254	12	1,159	7	831	6	856	22
GENITO-URINARY	10,411	4	1,186	6	1,304	1	1,124	(2)	839	4	713	1
CYTOSTATICS	6,566	9	4,378	7	1,708	13	877	47	562	2	438	11
DERMATOLOGICALS	4,651	7	1,312	0	688	(4)	569	(2)	433	4	498	5
BLOOD AGENTS	4,525	23	3,494	5	971	17	708	14	546	5	360	28
SENSORY ORGANS	2,864	12	1,640	0	363	6	409	7	305	5	237	10
DIAGNOSTIC AGENTS	2,346	9	1,997	9	621	5	313	11	252	14	229	12
HORMONES	2,419	19	1,112	0	485	5	336	7	202	(4)	152	9
MISCELLANEOUS	1,495	(12)	1,438	5	388	1	92	18	41	(2)	19	(23)
HOSPITAL SOLUTIONS	4	101	1,791	(2)	88	2	27	32	22	3	12	5
PARASITOLOGY	189	14	4	2	29	(1)	39	10	6	(9)	50	4

	CANADA		SPAIN		BRAZIL		MEXICO		ARGENTINA		AUST./NZ	
	\$M	+	\$M	+	\$M	+	\$M	+	\$M	+	\$M	+
<b>TOTAL</b>	9,293	10	9,482	10	4,638	30	6,257	11	1,694	44	4,818	9
CARDIOVASCULAR	2,270	9	2,115	6	615	32	536	11	271	39	1,156	12
CENTRAL NERVOUS SYST	1,847	12	1,931	14	696	35	764	13	307	41	872	10
ALIMENTARY/MET.	1,359	10	1,191	6	784	29	1,156	10	284	45	730	9
ANTI-INFECTIVES	496	10	539	4	308	26	929	4	153	44	234	(4)
RESPIRATORY	676	9	973	13	468	30	753	17	132	44	511	8
MUSCULO-SKELETAL	633	14	551	16	375	30	531	10	135	52	317	14
GENITO-URINARY	459	5	586	12	545	32	460	13	116	39	195	3
CYTOSTATICS	449	20	440	14	25	(23)	53	30	8	(24)	186	11
DERMATOLOGICALS	321	3	321	10	377	27	360	6	98	51	218	7
BLOOD AGENTS	239	24	364	15	81	43	114	12	40	53	127	26
SENSORY ORGANS	159	7	233	13	144	31	153	13	52	45	112	10
DIAGNOSTIC AGENTS	200	9	2	(13)	6	31	8	3	19	108	35	(6)
HORMONES	73	7	211	3	109	33	117	10	42	37	24	11
MISCELLANEOUS	93	(2)	18	48	51	17	263	12	27	51	81	(4)
HOSPITAL SOLUTIONS	2	(18)	3	1	3	7	10	1	1	60	2	5
PARASITOLOGY	17	16	6	29	51	18	49	2	7	40	19	7

+: Growth is at Constant Exchange

## KEY COUNTRY DRUG PURCHASES - RETAIL PHARMACIES

### IMS HEALTH - RETAIL DRUG MONITOR: 12 MONTHS TO MAY 2004

	NORTH AMERICA			EUROPE TOP FIVE			JAPAN		
	\$M	%	+	\$M	%	+	\$M	%	+
CARDIOVASCULAR	31,993	18	11	18,786	23	4	11,055	20	5
CENTRAL NERVOUS SYSTEM	40,714	23	16	13,238	16	9	4,315	8	9
ALIMENTARY/METABOLISM	25,111	14	7	11,787	15	5	8,056	15	2
ANTI-INFECTIVES	14,294	8	8	5,690	7	3	5,843	11	0
RESPIRATORY	16,016	9	2	7,247	9	5	3,658	7	(5)
MUSCULO-SKELETAL	11,535	7	18	4,651	6	12	3,536	7	4
GENITO-URINARY	10,870	6	4	4,566	6	2	1,186	2	6
CYTOSTATICS	7,015	4	10	4,024	5	17	4,378	8	7
DERMATOLOGICALS	4,972	3	7	2,508	3	1	1,312	2	0
BLOOD AGENTS	4,764	3	23	2,948	4	15	3,494	6	0
SENSORY ORGANS	3,024	2	12	1,547	2	8	1,640	3	5
DIAGNOSTIC AGENTS	2,546	1	9	1,416	2	9	1,997	4	9
HORMONES	2,493	1	19	1,385	2	4	1,112	2	0
MISCELLANEOUS	1,588	1	(11)	558	1	3	1,438	3	5
HOSPITAL SOLUTIONS	6	0	38	153	0	7	1,791	3	(2)
PARASITOLOGY	206	0	14	130	0	5	4	0	2

+: Growth is at Constant Exchange

Sales figures in these tables cover direct and indirect pharmaceutical channel purchases (pharmacies plus hospital in Japan and mail order in the USA) from pharmaceutical wholesalers and manufacturers in 13 key global markets. Figures include prescription and certain over-the-counter data, and represent manufacturer prices. These countries account for over two thirds of the world market.

These figures are taken from the monthly pharmaceutical audit conducted by IMS Health, the leading provider of healthcare information worldwide and cover the 12 month period from **June 2003 through to May 2004**. Sales for Argentina and Brazil are presented in US dollars only. The decision for the conversion to US dollars was due to excessive inflation and subsequent devaluations leading to both local currency and exchange rates exceeding the field sizes available for them on IMS databases.

- The selected regions are broken out by country.
- Each area is also shown in terms of broad therapeutic category.
- All sales values are shown in millions of dollars at prevailing exchange rates.
- In order to remove the effects of fluctuating exchange rates, growth rates are calculated net of exchange, in other words, growth figures are shown at local currency level or constant exchange except for the majority of the Latin America countries exclusive of Mexico, Chile, Colombia and Peru.
- In Argentina and Brazil sales are recorded in US dollars **in Mexico – local currency**.
- The unique system in Japan reduces the importance of the pharmacy in the distribution chain - sales reported include hospital data. In other countries sales monitored are limited to retail pharmacy only and do not include hospital data. In the USA our survey includes sales through mail order channels.

Operating in more than 100 countries, IMS Health is the world's leading provider of information solutions to the pharmaceutical and healthcare industries. With \$1.4 billion in 2003 revenue and 50 years of industry experience, IMS Health offers leading-edge business intelligence products and services that are integral to clients' day-to-day operations. These include marketing effectiveness solutions for prescription and over-the-counter pharmaceutical products; sales optimisation solutions to increase pharmaceutical sales force productivity; and consulting and customised services that turn information into actionable insights.

## IMS Retail Drug Monitor

# Hot Topics

*Commenting on the key stories*

**July 16th 2004**

### **NICE – where are we now?**

When the National Institute for Clinical Excellence (NICE) was set up in 1999, it looked like a rationing body. However its recommendations have been largely positive, and attention has shifted to the British problem of slow uptake. In January 2002, the Secretary of State for Health directed the NHS to provide funding for NICE-approved products, but the means of funding these remains decentralised.

#### **Implementation tracking**

In 2004, NICE is beginning to focus on how well its guidance is being implemented. Key learnings about the current position in the UK are that:

- Products *awaiting* NICE review are often not funded/prescribed: secondary care budgets have a ring-fenced portion for products approved by NICE which tends to penalise all other products, including those awaiting NICE evaluation.
- *After* a positive NICE review, regional variation (so called postcode prescribing), which NICE was intended to eliminate, seems as prevalent as ever.
- Where NICE guidance amounts to discouragement, there is also a lukewarm response. For example, there was no discernable change in the upward trend in sales of PPIs following NICE's guidance, which strongly restricted PPI use, and overall sales far exceed NICE expected uptake levels.

#### **NICE and Europe**

To implement guidance it is necessary to have the resources available to allow doctors to prescribe the right products, and for the doctors to accept NICE's view of what the right products are. It is really only in the UK that doctors seem to need encouragement to prescribe new products, so it is not surprising that NICE guidance is used by reimbursement authorities in other countries for different purposes.

In other countries, NICE is in effect being used as a 4th hurdle, which is inappropriate. NICE does not cover all products, and its evaluations are slow, effectively exporting 'NICE blight'.

The EU Transparency Committee is carrying out an audit of current systems of clinical and cost effectiveness evaluation. States are being asked, *inter alia*, about the use they make of guidance from other countries, eg NICE. However, this is unlikely to lead to a 'EuroNICE' because:

- differences in clinical practice, funding mechanisms, product and service acquisition costs, mortality and prevalence of diseases would make nonsense of any pan-European health technology assessments, and
- the prospect of a 'EuroNICE' alarms payers who fear new obligations to reimburse.

The effect of NICE-like bodies in other countries (eg the new German Institute) will also vary on the degree of coercion in the country's pricing and reimbursement system.

**To find out more detail on this topic, please contact Sarah Prentice at Cambridge Pharma, a unit of IMS Health, ([Sarah\\_Prentice@Cambridge-Pharma.com](mailto:Sarah_Prentice@Cambridge-Pharma.com))**

*Any use of this should be sourced to IMS Health, IMS Retail Drug Monitor.*

