European Parallel Trade

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There are trade dynamics in all EU countries

- Germany, UK, Netherlands and Nordic remain as the main import markets
- Exports were shifted from west to east in past few years, in particular on specialist products
- Many countries are known to have imports as well as exports (mixed markets)
- New accessions show rapid uptake: e.g. Croatia
- EU future expansion or drop
Parallel Import (PI) market is a small yet highly dynamic part of the European Pharma sales

**Import markets context**

- **Size**
  - **€5.1bn** (EU 8)

- **Growth**
  - - 1% PI
  - + 4% Non-PI growth
  - + 3% Total market growth

- **Share**
  - 9% PI (8 main import markets only)
  - 3% across EU28

**European annual parallel trade**

- 2014: +3% PI, -4% Non-PI, +9% Total market growth
- 2015: -3% PI, -4% Non-PI, +6% Total market growth
- 2016: -1% PI, -4% Non-PI, +1% Total market growth

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Source: QuintilesIMS MIDAS and internal database, import markets: DEU, GBR, NLD, Nordics and IRL, All sales at ex-MNF level.
European PT developed significantly in past 14 years, sometimes specific events boost the market

European parallel trade sales value in past 14 years

Source: QuintilesIMS MIDAS and local databases, Q4’16 was estimated as Q3’16.
Germany is the top destination for PI, however, UK has grown on strong currency pre Brexit

- **Germany**: in 2014 rebate was set back to 7% from previous 16% and resulted in a new PI boost. Abilify LoE was one of the main drivers of PI decline (€115m → €38m → €18m) as well as decline on Enbrel PI just before and after biosimilar entry

- **UK**: PI post Brexit showed significant growth as a result of stronger £, but in Q3’16 declined by 9%, still remains as a mixed market, with higher tendency to export with weaker £

- **Sweden**: PI also driven by currency trends, Slight slow down as a result of new reference pricing in 2014 on mature products (products over 15 years), followed by additional 7.5% price cut in 2015

- **Netherlands**: trends vary by product, however, wholesalers try to promote domestic packs

Source: QuintilesIMS MIDAS and local databases
There are also some minor players for PI, which showed recent growth: Italy and Poland.

Parallel Trade in niche markets (€0.29bn, 5% of total EU PI)

Source: QuintilesIMS MIDAS and local databases
Branded products and biologics form majority of PI sales across Europe, but also some generics, OTC and biosimilars.

Biologics form 25% of total PI sales by value.

Source: IMS MIDAS and internal database, import markets: DEU, GBR, NLD, Nordics and IRL. All sales at ex-MNF level. % growth vs. previous MAT shown on chart.
Thank you for your attention

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