Interview with Irena Rej, President, Chamber of Commerce “Polish Pharmacy”

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Tags: Chamber of Commerce “Polish Pharmacy”

The pharmaceutical industry market growth, including generics and originator drugs, is today steady and sustainable. The market size is over 5 billion Euros which makes Poland the 6th biggest market in Europe. What are the competitive advantages do you see in the Polish market compared to other European countries?

First, Poland is a 40 million people country, which makes it quite a big market. Although most of the producers in Poland are generic manufactures, pharmaceutical companies come form all over the world to open branches in Poland. The cooperation between generic companies and innovative companies should not be restricted, because no generic company would survive without the innovative industry. In fact, they very much depend on one another. Generic companies wanted to be represented by their own organization in order to do some lobbying and marketing on behalf of the generic business. The Polish Union of Employers in the Pharmaceutical Industry (PZPPF) offers such a platform, where generic companies can among other things lobby to shorten the patents of original products in Poland, for them to better exist in the market. Generic manufacturers also have international marketing initiatives within the context of PZPPF.

Poland is the biggest market in Europe for generic products, but in the difficult times that Poland is expected to go through, the market is starting to consolidate. Both generics and innovators figured that their respective interests were not that much different: for instance, none of them wants to pay additional taxes!

The main battle area for both players is now the payback mechanism, where a Reimbursement Act will soon be introduced in Poland and affects the activities of generics and innovators.

The government is also planning on settling the reimbursement level on the 17% barrier; however such a level does not allow further development of the pharmaceutical industry in Poland, so the generics especially want to negotiate another solution. Lastly, a 3% tax on the turnover for producers in the pharmaceutical industry, imposed by the government in order to finance the reimbursed system, is another issue that is not accepted by any organization. The equivalent of the Garattini tax on pharma activities being used in Italy nowadays could be eventually considered here in Poland.

The Chamber of Commerce “Polish Pharmacy” (Izba Gospodarcza “Farmacja Polska”) is the only organization collecting votes from both sides, as we do not do any lobbying restrictively for one of them, but for the overall interest of the industry. In addition, this organization offers the bridge that was long need between the industry and the government concerning any issue related to the National Healthcare system.

Your organization is a strong voice to cooperate with the authorities. I am addressing the psychologist now, what are the solutions to bring back a dialogue between the government and the industry?

The Chamber of Commerce “Polish Pharmacy” was founded in 1992 and is in that respect the first and longest operating organization in Poland. Whereas most associations and non-profit organizations include 30 or 40 members, the Chamber gathers 112 members – manufacturers, wholesalers and importers of medicines, including prestigious members such as the major multinational companies. Most of the pharmaceutical companies in Poland chose to be represented by and participate in two different organizations, being often the Chamber of Commerce Polish Pharmacy and a second one. The Chamber has established its most constructive and closest cooperation with INFARMA – the Union for the Innovative Industry in Poland.

Nevertheless, the organization never tried to encourage a confrontation between innovators and generics, because conflicts of interest never generate good results. The Chamber is decisive in its activities and never gives up, should there be an opportunity to solve a problem, to come up with solutions and compromises.

As an example, as the end of 2008, Polish companies were requested by the government to upgrade their registration documents. As a consequence, the certificates of many products were no longer valid, so that most companies had a stock a significant number of products. The

organization Izba Gospodarcza came to an agreement with the government and all concerned authorities that the whole stock could be sold out without any legal restriction. This initiative revealed to be very helpful not only for the industry, given that patients and doctors need to go from one product to another slowly rather than undergo brutal change in the use and consumption.

In the beginning of 2011, the value-added tax (VAT) increased, but certain categories of products, for which prices are negotiated with the ministry of health, are to be priced the same way. Indeed, the government would like to put pressure on pharmaceutical companies in Poland, so that companies need to decrease the price at which they market their products to compensate for the tax increase, in order to keep the same level of pricing for the end consumers. This separate tax coming on top of the original price concerns all reimbursed products, whether these products are produced by generic manufactures or innovators. This is a good example that both groups can have the same interest. Thus, one of the main advantages offered by the Chamber of Commerce Polish Pharmacy is that companies can have an overview of the different point of views and concerns gathered under the same structure.

What were the organization main initiatives in 2009 and 2010?

At the very beginning of the existence of the chamber, the main idea was to help the privatization process. Indeed, twenty years ago, almost only state companies were operating in Poland. For the third time, the pharma law was under construction, so the actions of the chamber were even more helpful. Because the regulation and statute of the chamber give us the right to operate as a consultant for all governmental decisions, the chamber has a major influence on any law that is to be passed. We are indeed invited to any meeting of the Parliament or the commission, when it deals with healthcare-related issues.

Many announcements were made in 2009 by the government that the law and major regulations in healthcare would be changed in 2010. As the new regulations were introduced and implemented last year, every one, including the Chamber, had to work to prepare and adapt to it. The reimbursement situation in Poland is one of the poorest in Europe, where patients have to give a lot from their own pocket. So this issue has been and still is one of the priorities of the Chamber.

Would you say that you are optimistic for the pharmaceutical industry in Poland as a whole?

I do not want to, but I must. Poland is an ageing country that has gained maturity in many areas in the last ten years. Although the government seems to understand problems, and strives to find solutions to promote innovation and work towards a better environment in the industry, it seems that it needs to catch up on the country’s progress.

However I do have optimism concerning pharma in Poland, as treatment are becoming both more effective – but more expensive, and Polish people have access to better therapies. The food supplements market is growing very fast in Poland, perhaps too fast considering that it is not controlled enough. Questions about the quality of the production in this market are raised.

The Chamber of Commerce Polish Pharmacy will do its best to ensure positive future outlooks for the pharmaceutical industry in Poland. The Chamber is supporting the companies' willingness to bring solutions to the Polish patients, especially in the areas Cardiology and Diabetology that have revealed to be major issues in the country. The organization is also fighting against energetic and doping products, which are out of control in this market. Thanks to the chamber, some shops delivering unhealthy products were closed, following a regulation from the government and the support and public opinion. A code of marketing ethics was signed by all members, showing everyone's commitment for an ethical conduct.

The Chamber is not only active in pure pharmacy, but in health in general.

What is the most important issue for the chamber today?

There are three main areas of focus for the Chamber of Commerce Polish Pharmacy today: VAT regulation, pharma law, and reimbursement. Even though changes in the reimbursement situation are planned for 2012, we should have a close look at it already today.

What would be your final message on behalf of the institution?

In Poland, there is only one pharmacy: whether you are an innovative or a generic company, the most important thing is to contribute to the patient's health.

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