

For 100 år siden kunne en
rift i hånden være dødelig.
En halsbetennelse kunne ta
livet av et menneske.

Slik er det ikke lenger.

Briefing on the Pharmaceutical Market in Norway - introduction

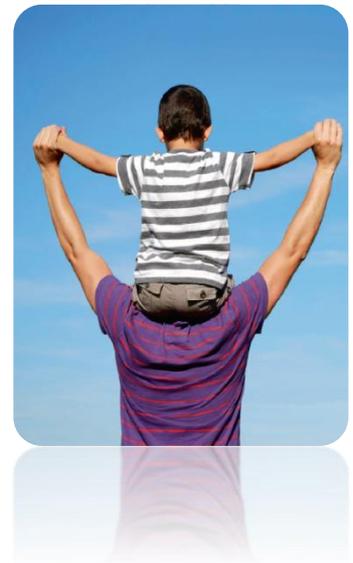
Bjørn Fuglaas, GE Healthcare, Chairman of the Board of the
Pharmaceutical Industry in Norway (LMI)

Agenda

- Introduction by Bjørn Fuglaas, GE Healthcare, Chairman of the Board of the Pharmaceutical Industry in Norway (LMI)
- The Pharmaceutical Industry in Norway – current developments by Karianne Johansen and Erling Ulltveit, LMI
- Company perspectives by:
 - Tiago C. Rodrigues, Abbvie
 - Åge Nærdal, GlaxoSmithKline
- Discussion

About Legemiddelindustrien (LMI)

- The Association of the Pharmaceutical Industry in Norway (54 member companies)
- 3800 are employed in LMI's member companies
 - highly qualified workers
- Multinational Big Pharma and small, Norwegian biotech companies
- 8 companies with production in Norway - some fully integrated with domestic R&D
- Annual sales (of medicines) in Norway: 21.7 billion

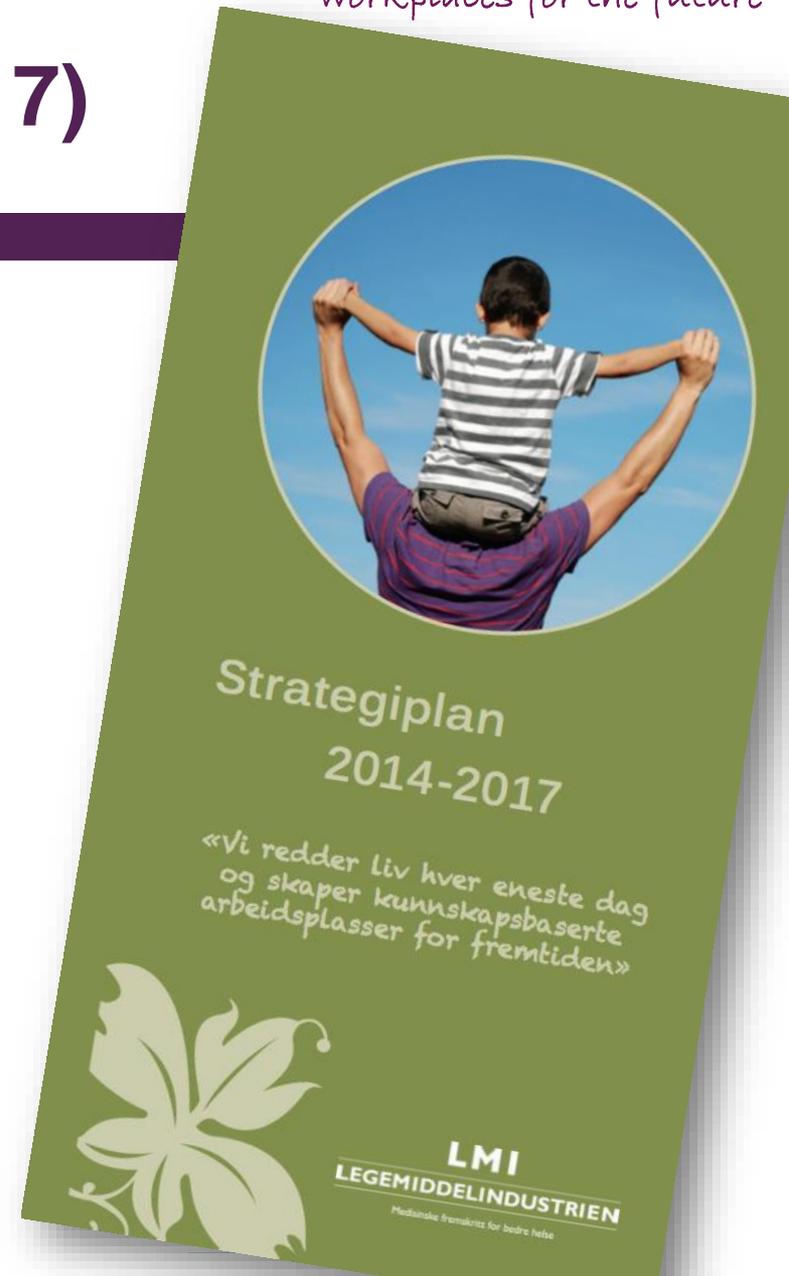


We save lives every day and
create knowledge-based
workplaces for the future

LMI's strategy (2014-2017)

Medical advances for improved health

- Ensure that the right patient gets the right medicine at the right time
- Be a part of the solution to the health challenges facing society
- Invest in research, innovation and business development
- Accept social responsibility and maintain high ethical standards



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The Pharmaceutical industry in Norway – current developments

Karianne Johansen, PhD, MPharm, MM,
Manager Market Access, LMI

Public health goals in Norway



Meld. St. 34

(2012–2013)

Melding til Stortinget

Folkehelsemeldingen

God helse – felles ansvar



- **Longevity**
Norway shall be among the top three countries with the highest life expectancy in the world
- **Well-being**
The Norwegian population shall experience more years of good health and well-being, with reduced social inequalities in health
- **Equity**
We shall create a society that promotes good health throughout the entire population

WOMEN

1	Japan	86.5
2	France	84.8
3	Spain	84.6
4	Switzerland	84.4
4	Italy	84.4
6	Singapore	84.2
6	Australia	84.2
8	Iceland	83.5
9	Sweden	83.4
9	Korea-South	83.4
9	Israel	83.4
12	Canada	83.3
13	Finland	83.2
14	Norway	83.1
14	Luxembourg	83.1
16	Cyprus	83.0
17	Greece	82.9
17	Austria	82.9
19	New Zealand	82.7
19	Germany	82.7
19	Belgium	82.7
22	Netherlands	82.6
23	Portugal	82.4
24	United Kingdom	82.2
24	Slovenia	82.2
24	Malta	82.2
27	Ireland	82.0
28	Chile	81.8
29	Denmark	81.2
30	Costa Rica	81.1
31	USA	80.9
32	Czech Republic	80.3
33	Estonia	80.1
34	Poland	79.9
35	Colombia	79.8
36	United Arab Emirates	79.5

MEN

1	Iceland	80.2
2	Switzerland	79.9
3	Australia	79.7
4	Japan	79.6
4	Israel	79.6
6	Singapore	79.3
7	Sweden	79.2
7	Italy	79.2
9	Canada	78.9
10	Norway	78.7
10	New Zealand	78.7
12	Spain	78.5
13	Qatar	78.4
13	Netherlands	78.4
15	Cyprus	78.2
16	Malta	78.1
17	United Kingdom	78.0
18	Luxembourg	77.9
18	Kuwait	77.9
20	France	77.8
21	Germany	77.7
22	Greece	77.6
23	Austria	77.5
24	Belgium	77.2
25	Ireland	77.0
26	Denmark	76.9
27	United Arab Emirates	76.8
27	Costa Rica	76.8
29	Korea-South	76.7
30	Finland	76.6
31	Portugal	76.3
32	USA	76.0
33	Cuba	75.9
34	Brunei Darussalam	75.8
35	Slovenia	75.6
35	Chile	75.6

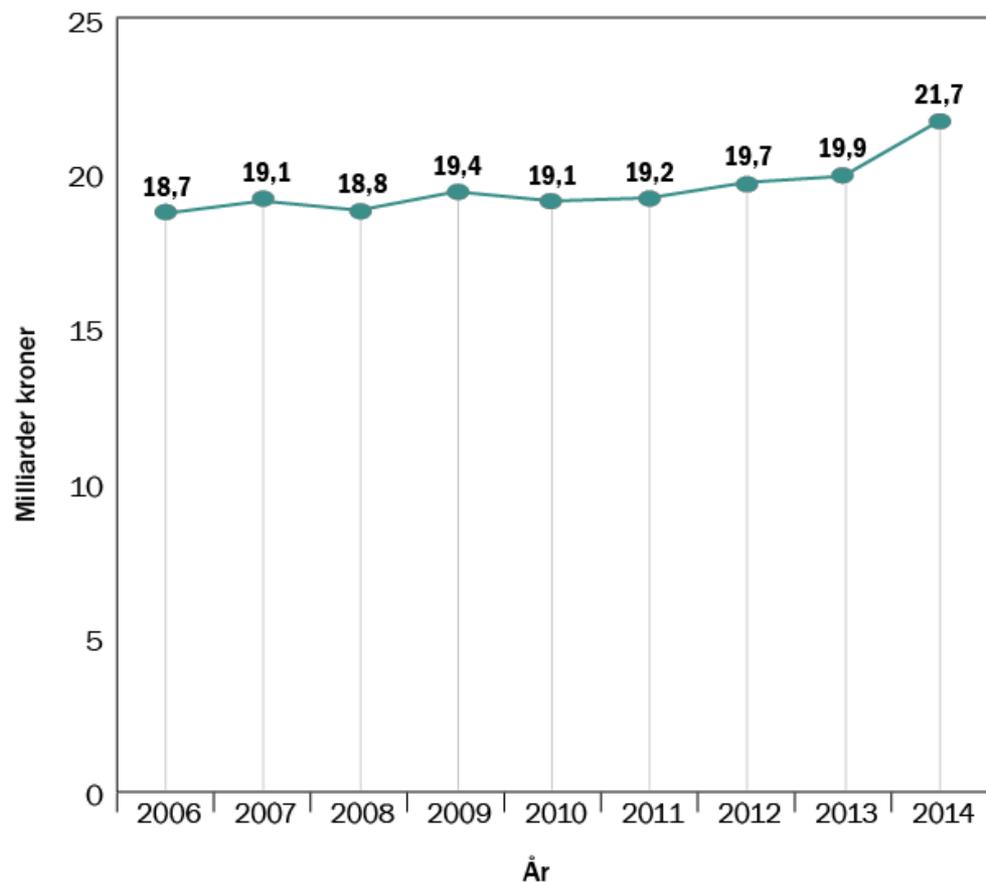
Life expectancy

Finnish exception

Relative to other countries, Nordic women have lower life expectancy ranks compared to their male compatriots – except Finland (women 17 ranknumbers above)

WHO life table database
170 member countries with
Population of 0.3 mill or more
www.who.int (data for 2009)

Pharmaceutical sales



Tall i faste 2014-kroner
Kilde: LMI/Farmastat, SSB

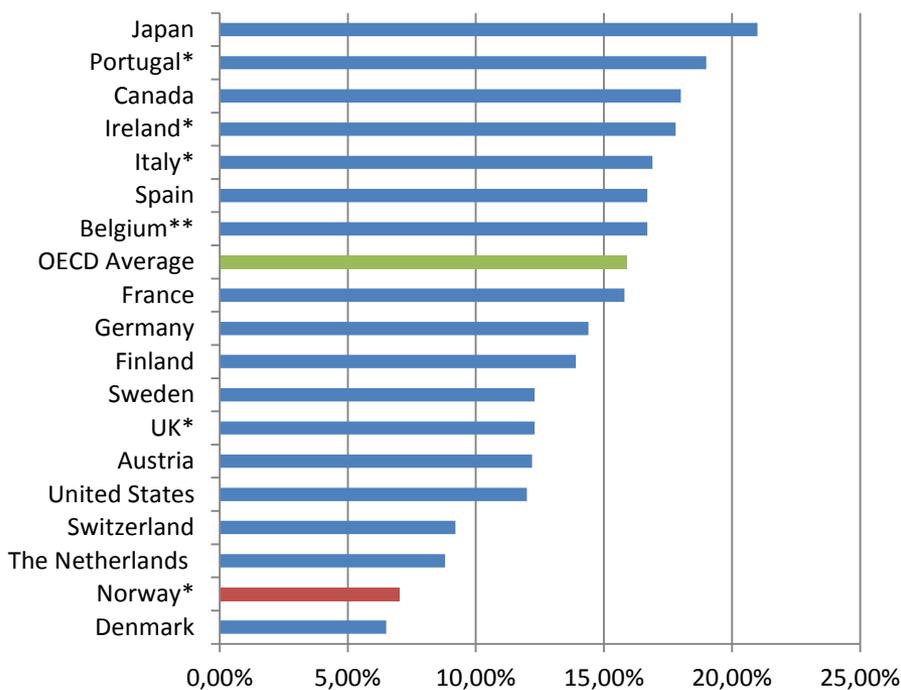
Different therapeutic areas (ATC)

		Omsetning AIP 2014, Mill kr	Vekst 2013-2014	Andel av total-markedet
A	Fordøyelsesorganer og stoffskifte	1338	7,9%	9,5%
B	Blod og bloddannende organer	1131	10,5%	8,0%
C	Hjerte og kretsløp	922	-3,7%	6,6%
D	Dermatologiske midler	270	5,0%	1,9%
G	Urogenitalsystemet og kjønns-hormoner	689	2,0%	4,9%
H	Hormoner til systemisk bruk, ekskl. kjønshormoner	370	6,2%	2,6%
J	Systemiske anti-infektiva	1331	20,1%	9,5%
L	Antineoplastiske og immunmodulerende midler	3571	15,2%	25,4%
M	Muskler og skjelett	406	4,7%	2,9%
N	Sentralnervesystemet	2297	5,8%	16,3%
P	Antiparasitære midler	31	-18,3%	0,2%
R	Respirasjonsorganene	1167	4,7%	8,3%
S	Sanseorganer (øye- og øremidler)	346	14,6%	2,5%
V	Varia (kontrastmidler, allergenekstr. etc.)	198	17,2%	1,4%

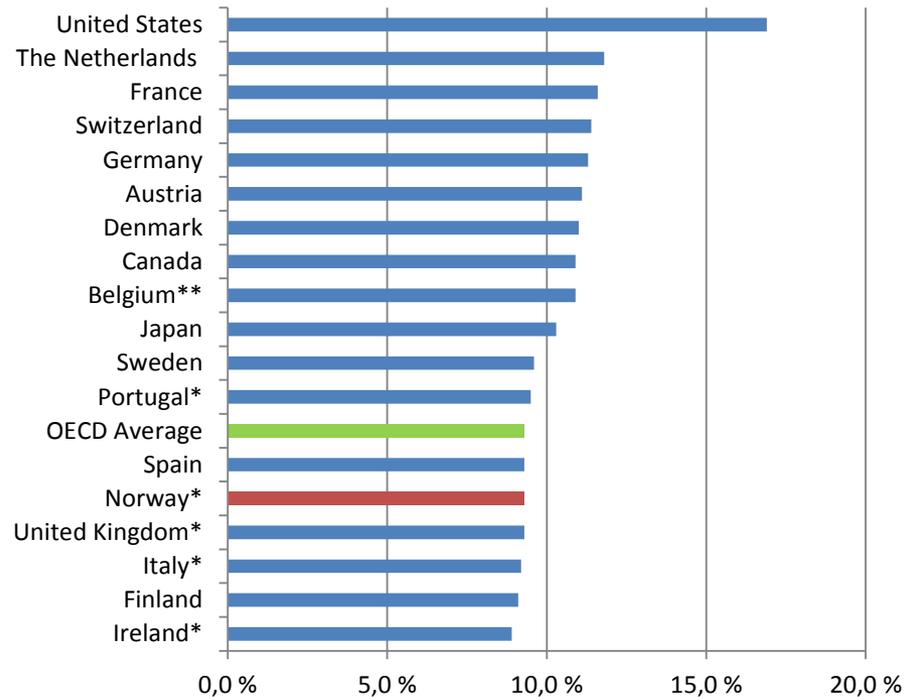
Kilde: LMI/Farmastat

- **High uptake and spend on medicines to treat prostate cancer, melanoma, multiple sclerosis and immune related diseases - 25 % of total spend and 15 % growth in 2014.**
- **High uptake and spend on infection medicines due to Hepatitis C treatment - 20 % growth and 10 % of total spend.**

Medicines costs and health care spend



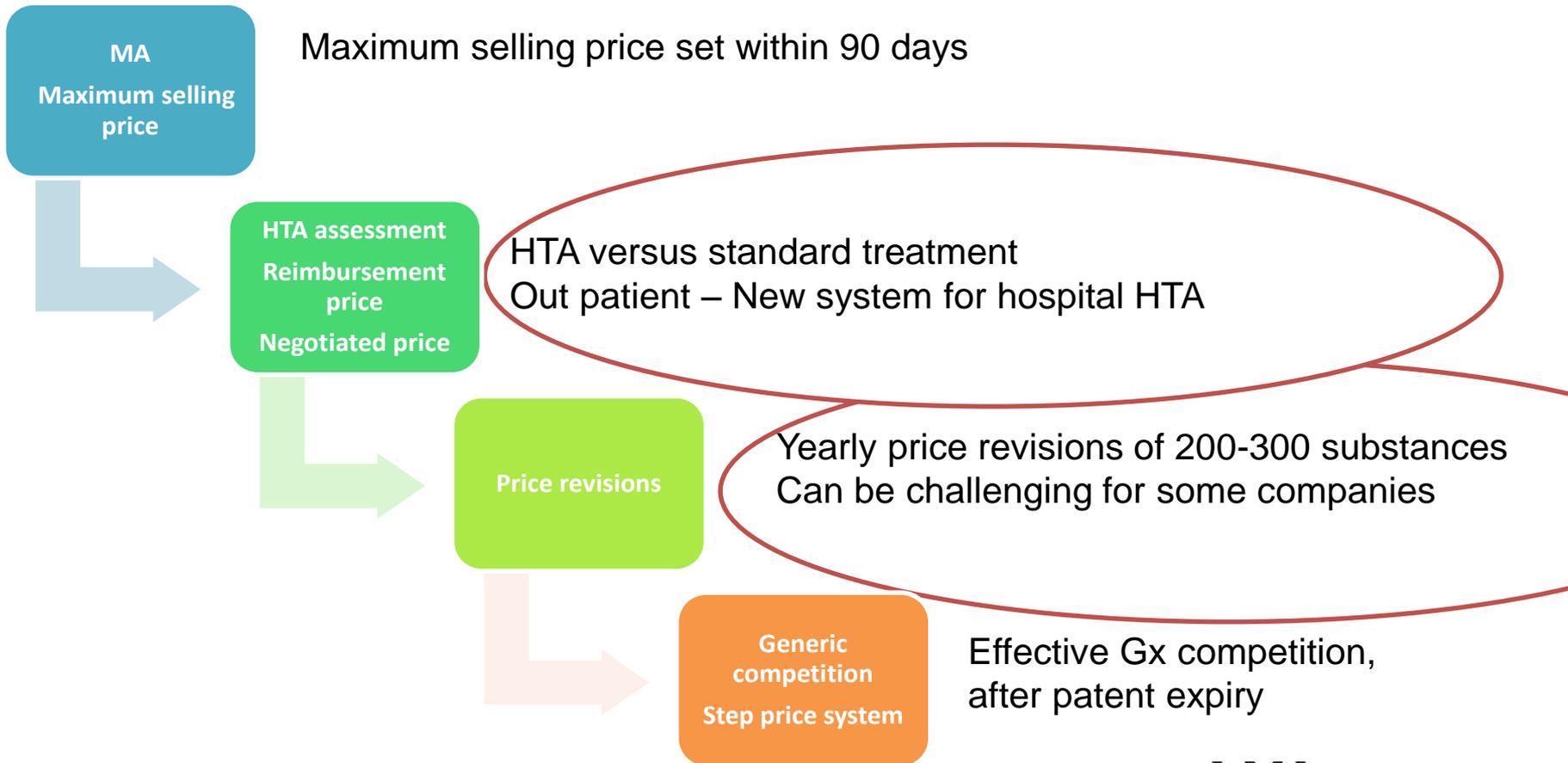
Medicines costs as share of health care



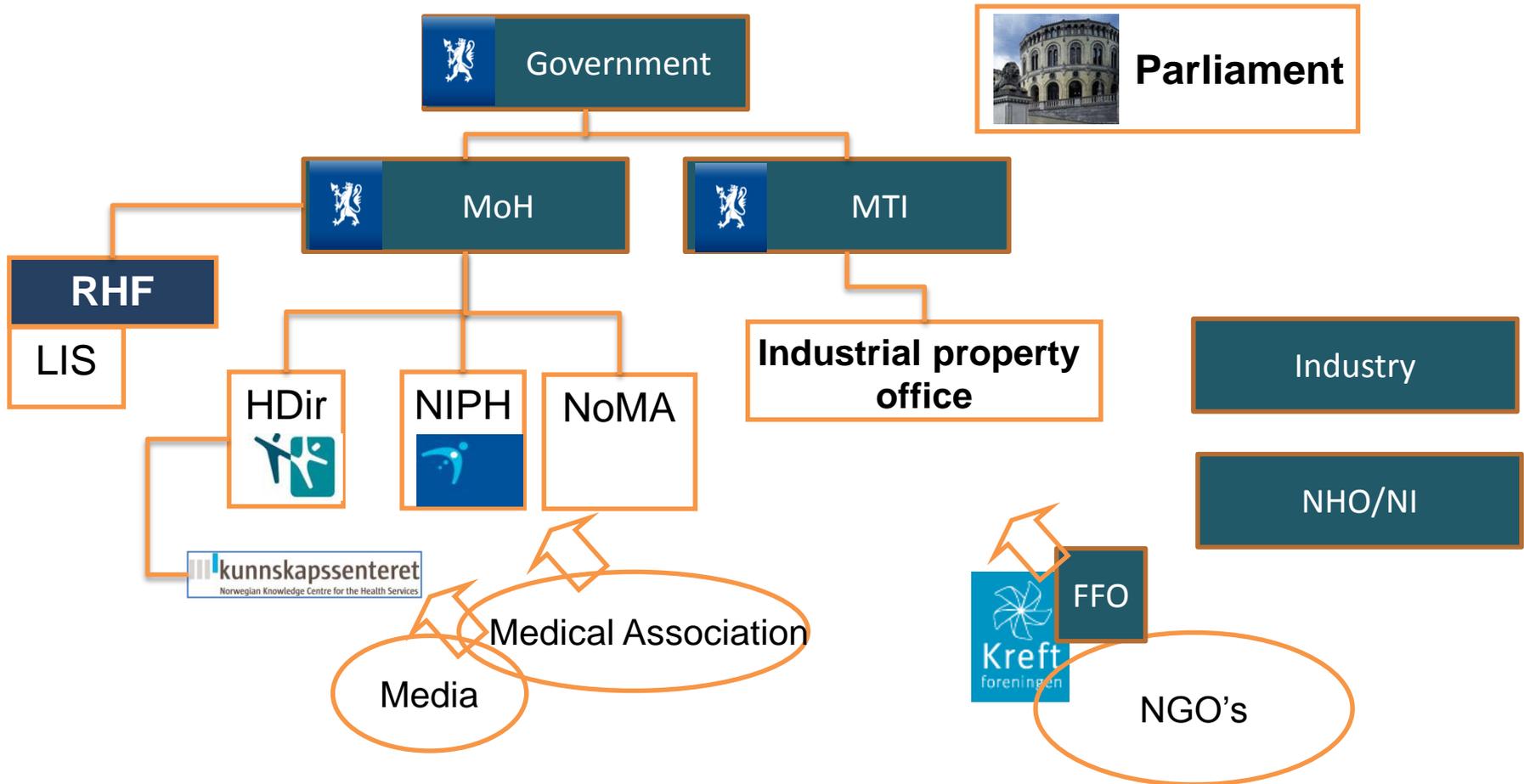
Total expenditure on health, % GDP

Source: OECD Health Data 2014.

Policy tools to assess value over the product life cycle



Key Stakeholders



Different payers different value assessments



Hospitals

Hospital
pharmacies
Tenders
LIS
Directorate of
Health

Public Insurance

NoMA
Outpatient use
Directorate of
Health
HELFO Individual
reimbursement

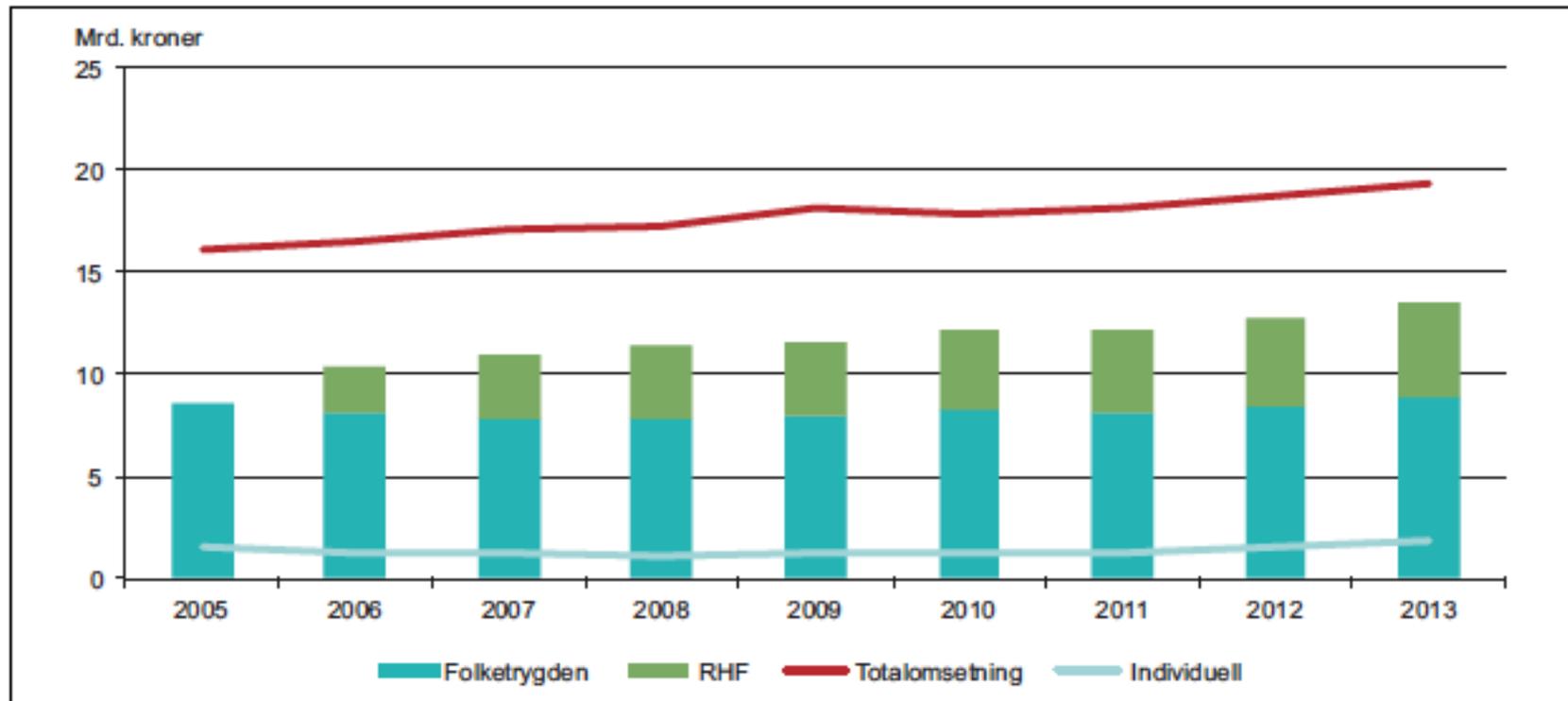
Municipalities

Nursing homes
Tenders
Multi dose

NIPH

Vaccines
Health clinics
GPs
Travel clinics

Pharmaceutical spend among payers



Figur 4.10 Legemiddeldomsetning i milliarder kroner, 2005–2013

Kilde: FHI, HELFO

Trends in the Norwegian market

- Good societal and economical conditions
- Positive growth in market last year of 7 %
- Health care spend stable at 9 % of GDP

- Pharmaceutical spend still low in OECD 7 %
- Annual price revisions, positive currency developments last year
- Reference pricing system gives low price on originals

- Highly educated and demanding payers
 - Many cost containment measures introduced and established

HealthCare21

A new research and innovation strategy

- An initiative from LMI
- Can create new opportunities and partnerships for the pharmaceutical sector



Future opportunities

Promoting excellence and knowledge

- High potential for knowledge based industry
- Renowned clinical expertise clinical trial units
 - Immune oncology
 - Neuroscience
- Advanced research infrastructure
 - Biobanks and health registries
- Government initiatives to increase clinical research

Clinical trials – Why Norway?

- **Governmental initiatives for clinical trials and medical innovation**
- **World leading resources for clinical trials**
 - Well organised and transparent infrastructure
 - Unique health registries and biobanks
- **Internationally renowned medical expertise and clusters in areas like:**
 - Oncology and Immunology
 - Neuroscience
 - Cardiology and environmental diseases
 - Medical Imaging

LMI
LEGEMIDDELINDUSTRIEN
The Association of the Pharmaceutical Industry in Norway

 Oslo University Hospital

inven2

 OSLO CANCER CLUSTER

 NANSEN NEUROSCIENCE NETWORK



Challenges in the market place

- Different payer structure – different access to treatment
- Challenges in the new hospital HTA system
- Public perception that new medicines are expensive
- High focus on priority setting in health care

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Governmental White Paper on Pharmaceuticals – “Legemiddelmeldingen”

Erling Ulltveit, Manager Political Affairs, LMI

White Paper on Pharmaceuticals - background

- A white paper (Stortingsmelding) is a presentation of the Government's politics in a specific field
 - A holistic approach to a policy sector, discussion of the main issues
- So far only one white paper on pharmaceuticals – Spring 2005
- The Government is now working on a new white paper
 - Expected to be submitted in May 2015

The White Paper is a follow up of the Governmental declaration:

- “The Government will ensure that patients have rapid access to new, effective pharmaceutical products. Norway’s medicinal product policy will promote patient safety, effective treatment, lower state costs, and innovation. The Government will provide a framework for growth in the Norwegian pharmaceutical industry with a view to improving patient services, enhancing value creation and creating more secure jobs.
- The Government will:
 - Submit a white paper on pharmaceutical products to help to develop a more integrated, patient-friendly medicinal product policy.
 - Review the pharmacy mark-up.»

LMI's priorities

- Reassessment of the pharma political goals, removal of the «lowest price possible» goal
- The pharmaceutical policy must take industrial concerns and take into account the potential for industrial growth in the healthcare sector
- Financing: Norwegian patients must be ensured rapid, good and secure access to new medicines
- The rules governing pharmaceutical information must be changed, in particular regarding information to patients
- Medicines should more actively be included in national strategies for disease preventions