

PharmaBoardroom Releases New Portugal Pharmaceuticals Report

LONDON, UNITED KINGDOM, April 18, 2014 /EINPresswire.com/ -- When [PharmaBoardroom](#) first came to Portugal in 2007, price cuts, payment delays and changes to the health system with each successive government were only the first indications for the pharmaceutical sector that troubled times were ahead: four decades of political and financial mismanagement had resulted in Portugal's economic stagnation. When the country requested a financial bailout by the IMF in spring 2011, the country quickly came round to face reality. Adaptation was paramount to the recovery of this economically ravaged nation, and government and industry quickly sought to find new solutions to the crisis. In 2014, renewed economic growth and a willingness by all stakeholders to work together will be the keystones to preparing Portugal's revitalization.

Portugal's austerity measures for healthcare are similar to those across Europe, but are more extreme because of the country's bailout. Because health plays a major role in Portugal's budget allocation, the pharmaceutical industry has been targeted as an area for cutting costs.

"Imposing the lowest prices in Europe based on reference countries, creating restrictive access measures, and refusing to compensate new medicines are all easier than merging hospitals or changing policy at the level of the Ministry," says Heitor Costa, executive director of Portugal's pharmaceutical association APIFARMA.

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*Secretary of State for Health
Manuel Teixeira*

The Central European Bank, International Monetary Fund (IMF), and European Commission have set a goal for government spending on healthcare to be limited to only one percent of GDP, one of the lowest in all of Europe. As such, the pharmaceutical industry created a memorandum of understanding (MoU) that stipulated the industry contribute EUR 600 million (USD 780 million) in savings back to [Portugal's healthcare system](#) between 2011 and 2012. This was followed up with a similar MoU for 2012-2013.

"Partnership between the health system and the pharmaceutical industry must be more than noble intentions and enthusiastic words," notes Secretary of State for Health Manuel Teixeira. "Despite specific missions and frequent divergent approaches, health system activities and pharmaceutical



interests have symbiotic connections. Bearing this in mind we are open to discuss balanced and affordable partnerships that give to patients an equitable access to valuable treatments.”

Using generics as a means of cost cutting for a fragile health budget seems like an easy go-to option for Portuguese health authorities. Today, generics represent nearly 40 percent of the market in count units, and according to the MoU, the aim is to increase this to 60 percent by the end of 2014.

“Pharmacists have lost so much profit in the last three years as they are remunerated through a percentage, so they prefer to sell originators over generics,” comments Moisés Apura, general manager of generics business Ciclum Farma, which is owned by Stada Group.

Manufacturing may also present opportunities for continued growth, particularly given the low cost of production and high quality in Portugal. Every multinational [pharmaceutical company](#) with production capacity has abandoned their facilities in Portugal over the past couple of decades, except German company Fresenius Kabi. As of today, Fresenius Kabi is the biggest exporter of pharmaceutical products according to the National Statistical Institute of Portugal, and its facilities are approved to produce for Europe, Latin America, Middle East, and Asia-Pacific.

Portugal is frequently hailed for the excellence of its scientific output, given the outstanding quality of the numerous research institutes that exist in this relatively small country. “The country has grown significantly in terms of research and PhDs, the younger generations are highly educated, and Portugal has some of the best ranked universities in the world for healthcare and engineering,” comments Pedro Gonçalves, Secretary of State for Innovation, Investment and Competitiveness under the Ministry of Economy of Portugal.

Featuring:

António Portela, CEO - Bial

Manuel Teixeira, Secretary of State for Health - Ministry of Health of Portugal

Pedro Gonçalves, Secretary of State for Innovation, Investment and Competitiveness - Ministry of Economy of Portugal

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Francisco Velez, Director General - toLife

Heitor Costa, Executive Director - Apifarma

João Lobo Antunes, Founder - Institute of Molecular Medicine (IMM)

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