



BRITISH GENERIC MANUFACTURERS ASSOCIATION

Press Information

Monday , July 18, 2011

Media Statement: Value-Based Pricing

Commenting on the Government's response to the consultation on Value-Based Pricing, Warwick Smith, Director-General, British Generic Manufacturers Association, said:

"Using generic medicines remains the most effective means of restraining NHS medicine costs. We support the intention behind value-based pricing to ensure that patients receive the medicines they need and that the industry develops new products to address unmet clinical need.

"However, as the Secretary of State implies, the devil will be in the detail, and it is crucial that the vital role of the generic industry in making medicines affordable is not undermined in any way."

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Notes for Editors:

The British Generic Manufacturers Association represents the interests of UK-based manufacturers and suppliers of generic medicines and promotes the development and understanding of the generic medicines industry in the United Kingdom.

Generic medicines contain the same active ingredient and are as effective as the equivalent brand and cost much less, making the NHS drugs bill affordable. 65% of all medicines dispensed by the NHS are generics yet they cost only 26% of the NHS drugs bill, a saving of around £8.6bn in England & Wales alone. Without generics, the NHS drugs bill would be approximately twice its current level. The average cost to the NHS of a generic medicine is £3.83, whilst the average cost of a branded medicine is £20. Competition from generics also stimulates the research based pharmaceutical industry to develop new medicines.

Our 19 members account for around 85% of the UK generics market by volume. Their work keeps medicines affordable for the Department of Health which allows further investment in other healthcare priorities, and promotes innovation in the development of new medicines.

We represent the views and interests of our members and industry to the UK government, the devolved administrations, regulators, other relevant third parties, including where appropriate the Institutions of the European Union.