GIRP

the vital link in healthcare

HIGHLIGHTS 2012/13

The European Association of Pharmaceutical Full-line Wholesalers

Groupement International de la Repartition Pharmaceutique

GIRP – European Association of
Pharmaceutical Full-line Wholesalers
Rue de la Loi 26, 1040 Brussels, Belgium

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CONTENT

from left to right
Commisioner Tonio Borg, Berlaymont building, DG SANCO Stefano Soro, GIRP delegation with President Ilves(two pictures), Febleco warehouse, Febelco CEO Eric van Nueten, inside the warehouse

NETWORKING

1/ Introducing GIRP to the new EU Health Commissioner

On 27th February 2013, GIRP had the pleasure to meet Mr. Tonio Borg, the European Commissioner for Health and Consumer Policy for the remainder of the Commission's mandate (until 31st October 2014). GIRP is delighted to report on the successful meeting with Mr. Tonio Borg, which took place on 27th February and was the first chance for GIRP to present its mission, members, objectives and priorities. The meeting was constructive and is the first step in what we hope will be a cooperative relationship between Europe's most senior institutional official with responsibilities for health in the EU.

2/ Estonian President Mr. Toomas Hendrik Ilves welcomes GIRP delegation

On 8th November 2012, the President of the Republic of Estonia, Toomas Hendrik Ilves welcomed a delegation of GIRP's members in Tallinn to discuss the role and function integrated pharmaceutical full-line wholesalers play in the provision of eHealth services across Europe.

The delegation spoke about the role some GIRP members play in their national markets in driving the deployment of eHealth solutions through their entrepreneurial role in the healthcare arena and their unique position as integrated healthcare operators.

President Ilves, who led the EU's eHealth working group for a year and a half at the proposal of the President of the European Commission, José Manuel Barroso, stated it is the patient that should be the most important focus of the eHealth drive. He highlighted that obviously patients should be the owners of their health data which extends to include any data generated on the patient in the eHealth domain. In his view cross border collaboration is essential to ensuring compatibility and interoperability for patients to receive their prescribed medicines in other Member States and that such cooperation must allow for health care professionals to be able to access patients' electronic health files held by other Member States.

3/ Visit to the FEBELCO warehouse with DG

Head of the Product and Service Safety Unit from the Directorate-General Health and Consumers, Mr. Stefano Soro and his team visited the Febelco warehouse in Frameries, Belgium on 28th September 2013 upon invitation of GIRP.

Following a presentation by the GIRP Director General, Ms. Monika Derecque-Pois on Good Distribution Practice (GDP) Guidelines and the Falsified Medicines Directive Delegated Act and the challenges posed on full-line wholesalers as well as a presentation by Mr. Eric van Nueten, CEO of Febelco, on the operation of a pharmaceutical full-line wholesaler and a brief presentation of his company, Mr. Eric Van Nueten and his team gave the Commission delegates a guided tour through the warehouse.

Mr. Stefano Soro was very receptive to concerns voiced by GIRP with regard to the GDP Guidelines and the Delegated Acts. He emphasized that medicines safety is highly important and that supply chain partners are to work together to ensure patient safety.

Mr. Soro acknowledged that GIRP members are a very important part of the supply chain and that the Commission has to ensure all segments are supported - wholesalers, pharmacists and the pharmaceutical industry. In order to achieve that, the constructive dialogue between GIRP and his services should continue.

left: Best Pharmacy Initiative award
right: Martin FitzGerald and Lovorka Nikolić

4/ Best Initiative of the Year in Pharmacy awarded to EFPIA-GIRP-PGEU for their Core Principles on European Medicines Verification

Representatives from three European stakeholder associations (EFPIA, GIRP and PGEU) received on 12th March 2012 in Madrid, Spain, the awards for the "2011 Best Pharmacy Initiatives of the Year". The awards were given out by the Spanish newspaper Correo Farmaceutico in recognition of the EFPIA/GIRP/PGEU ten core principles for their vision for a stakeholder-led European Medicines Verification Systems ("EMVS").

EFPIA, GIRP and PGEU are jointly working on a European medicines verification project with the aim of preventing falsified medicines from entering the European supply chain and improve patient safety. More recently, EAEPC, the association representing parallel distributors joined the project.

5/ GIRP award from Famalogist

GIRP was proud to accept an "Award of Appreciation" for grateful appreciation and distinguished recognition of its support and contribution toward the growth of its Serbian member Farmalogist. The awarded was received in Belgrade Serbia at the occasion of 10th anniversary celebration of Farmalogist which took place on 30th October 2012. Farmalogist is proud of it 10 years of outstanding experience, fulfilled with expectations and challenges, temptations and obstacles, but all above all – success. GIRP was delighted to be part of the celebrations and wishes is member all the very best for the years ahead.

6/ GIRP and Corporate Social Responsibility

In September 2010, the European Commission launched a two-year process on Corporate Social Responsibility (CSR) in the pharmaceutical sector. The process is divided into three separate platforms: (1) ethics and transparency, (2) access to medicines in Africa and (3) access to medicines in Europe.

Access to medicines in small markets as part of access to medicines in Europe

GIRP together with EFPIA, EGA, EuropaBio, Slovenia, Cyprus, Estonia, Latvia and Lithuania formed a project group as part of the project "Access to Medicines in Small Markets" which aims at facilitating the access to medicines in small markets.

The common position paper as the outcome of this project group has been completed. GIRP has provided contributions especially with regard to the free movement of the Baltic pack and the Public Service Obligations linked to the right to receive supplies from the pharmaceutical industry.

Ethics and transparency

Under the ethics and transparency platform the European Commission developed a List of Guiding Principles Promoting Good Governance in the Pharmaceutical Sector as part of the project on corporate social responsibility in the field of pharmaceuticals.

The Commission recently enquired about the actions/initiatives which have been put in place so far by GIRP in order to positively contribute to ethical behaviour and better governance in the pharmaceutical sector in relation to the Guiding Principles. GIRP developed its own Code of Conduct and Corporate Social Responsibility statement and asks GIRP members who have not yet implemented an own code to do so as well.

GIRP had been contributing to the development of the guiding principles on transparency which were adopted at the CSR Steering Committee meeting at the end of 2012. The next steps are aimed at developing a strategy involving all participating stakeholders for implementation, dissemination and monitoring mechanisms, to enable a robust launch of the guiding principles at the beginning of 2013.

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BETTER REGU-LATION AT EU LEVEL

Good Distribution Practice Guidelines

The Good Distribution Practice (GDP) Guidelines aim to ensure that a harmonised level of quality is maintained throughout the distribution chain in all EU Member States, so that medicines distributed to retail pharmacists and other healthcare professionals dispensing medicines to the public are safe and of unaltered, genuine quality. The GDP Guidelines therefore are of particular interest to wholesale distributors and manufacturers who distribute their own products.

The old Guidelines on Good Distribution Practice of Medicinal Products for Human Use (94/C 63/03) which were first published in 1994, have been implemented throughout the EU Member States and adhered to by wholesale distributors to ensure that the finished medicinal products they distribute are authorised in accordance with European Union (EU) legislation and are handled, stored and transported securely to a high quality standard.

A draft revision of the 'Guidelines on Good Distribution Practice of Medicinal Products for Human Use', was proposed by the European Medicines Agency through its GMP/GDP Inspectors Working Group in the summer of 2011 and published by the European Commission's Directorate General for Health and Consumer Policy (DG SANCO) for public consultation. The main intention behind the revision of the GDP Guidelines is to take into account new requirements for wholesale distributors and brokers established in Directive 2011/62/EU on falsified medicines.

The new European Good Distribution Practice Guidelines 2013/C 68/01 were published on 8th March 2013. The revised guidelines will enter into force in six months from the date of publication (8th September 2013). The European Commission has responded to GIRP's request for clarification on provisions and translation errors.

European Commission Delegated Acts of the Falsified Medicines Directive

Following adoption by the European Council and the European Parliament, the new legislation on falsified medicines was published on 1st July 2011 in the Official Journal of the European Union.

The new legislation became applicable on 2nd January 2013. This legislation is the outcome of the legal proposal that the Commission put forward in December 2008.

Member States have to transpose Directive 2011/62/EU by 2nd January 2013 into national law.

Directive 2011/62/EU introduces obligatory 'safety features' to allow, inter alia, verification of the authenticity of medicinal products for human use ('unique identifier'). The Directive places the Commission under an obligation to adopt delegated acts setting out the details relating to inter alia the unique identifier. In 2012 A concept paper (93 KB) was rolled out for public consultation with a view to preparing both the impact assessment and the delegated act.

The European Commission is currently working on the delegated act which are not expected to be published until towards the end of 2014 (originally foreseen for the beginning 2014)

In order to prepare to meet the expected requirement of the delegated acts GIRP has worked together with the European Association of Euro-Pharmaceutical Companies (EAEPC); the European Federation of Pharmaceutical Industries and Associations (EFPIA) and the Pharmaceutical Group of the European Union (PGEU) since 2010 to develop and test a single interoperable and scalable pan-European system.

The project is run under the name of the European Stakeholder Model (ESM).

The project is to ensure that any medicine sold in the EU can be verified at point of dispensing using individual pack level serial numbers before being given to the patient. As the ESM has been developed by supply chain experts, it is a safe, cost-effective and partnership-based system that can meet the needs of all users during a time of austerity in EU Member States.

The main components of the proposed system are:

- The manufacturer of a pharmaceutical product applies a machine readable unique code to each individual pack. The contents of the code are sent to a database before releasing the product.
- The parallel distributor verifies each pack before repackaging and generates a new number to be uploaded to the European Hub.
- The wholesaler will verify packs of medicine on a random basis especially when purchased from sources other than the manufacturing authorization holder or their authorized representatives and when products are returned.
- The ESM will be overseen by a not-for-profit stakeholder organisation, called the European Medicines Verification Organisation (EMVO). The EMVO will oversee the European Hub that links national systems throughout Europe. It will also serve as the central point from which product recall actions can be initiated. The ESM system will not generate process or store any personal or patient data.

3/

ESM
A MEDICINES VERIFICATION SYSTEM FOR EUROPE

European Stakeholder Model (ESM)

The European Stakeholder Model (ESM) is a partnership of organisations involved in the pharmaceutical supply chain. The ESM partners have joined forces to develop a safe, cost-effective and partnership based pan-European medicines verification system to combat falsified medicines and ensure patient safety.

Ensuring the delivery of safe and genuine medicines to patients is the responsibility of the whole pharmaceutical supply chain. We have worked together since 2010 to develop and test a single interoperable and scalable pan-European system. This is to ensure that any medicine sold in the EU can be verified at point of dispensing using individual pack level serial numbers before being given to the patient. As the ESM has been developed by supply chain experts, it is a safe, cost-effective and partnership-based system that can meet the needs of all users during a time of austerity in EU Member States.

The European Stakeholder Model (ESM) a point-of-dispensing verification system

To secure the legal pharmaceutical supply chain and protect patient safety while meeting the implementation needs of the EU Falsified Medicines Directive, the ESM partners have developed a safe, cost-effective and partnership based system to combat falsified medicines.

The founding principle of the ESM approach is that each pack of medicine is checked individually before it is dispensed to the patient, ensuring that the patient receives a genuine product.

We achieve this through the use of:

- A harmonised serialisation system across Europe for greater patient safety
- A stakeholder governed point-of-dispensing system for cost-effectiveness
- A 2D barcode (data matrix) based on international standards for interoperability across the EU

The codes are generated and applied by manufacturers using an internationally recognised 2D data matrix barcode to authenticate medicines at the point of dispensing. By simply scanning the barcode, any unregistered code will immediately alert the pharmacist to the possibility of a falsified product. The data matrix also has the capacity to contain other information such as national codes and meet the needs of national authorities.

Organisation – Interoperability

The ESM will be overseen by a not-for-profit stakeholder organisation, called the European Medicines Verification Organisation (EMVO). The EMVO will oversee the European Hub that links national systems throughout Europe. It will also serve as the central point from which product recall actions can be initiated. The ESM system will not generate process or store any personal or patient data.

ESM Partners Current partners include:

- The European Association of Euro-Pharmaceutical Companies (EAEPC)
- The European Federation of Pharmaceutical Industries and Associations (EFPIA)
- The European Association of Pharmaceutical Full-line Wholesalers (GIRP)
- The Pharmaceutical Group of the European Union (PGEU)

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efpia
European Federation of Pharmaceutical Industries and Associations

PGEU GPUE
Pharmaceutical Group of European Union
Groupement Pharmaceutique de l'Union Européenne

EAEPC
European Association of Euro-Pharmaceutical Companies

4/

TOWARDS BETTER REGULATION THAT GUARANTEES SUPPLY CHAIN SAFETY, ENSURES PATIENT ACCESS AND PRODUCT SAFETY

GIRP members purchase, store and supply a significant number of medical devices and in vitro medical diagnostic devices. The products range from medical devices with a low risk profile such as first aid bandages, syringes, thermometers, rubber condoms, tongue depressors, and examination gloves, to higher risk categories including products such as pregnancy tests and diagnostic test kits.

GIRP members offer their customers (mainly pharmacies) a one stop shop for all their needs as part of their mission as primary healthcare providers upon which patients rely daily.

The medical device sector is a critical provider of innovative, effective and safe healthcare products and as wholesale distributor GIRP members have a critical role in facilitating access to medical devices through pharmacies.

GIRP members however are not the manufacturers of the medical devices, they are not importers of medical devices, but rather they are distributors of medical devices. This means they occupy an unique position in the supply chain and have a special role and function that distinguishes them from other economic operators such as manufacturers and importers.

As distributors, GIRP members are not permitted to interfere with the actual medical device or even its secondary packaging – and as such any obligations arising out of legislation, regulation, guidelines, etc. should be limited to their activities – purchase, storage, and supply.

GIRP members primary role is to quality of the product is maintained while under their care, which is opposed to actual product safety.

On 26 September 2012, the Commission released new proposals, including a proposal for a regulation on medical devices and a regulation on in-vitro diagnostic medical devices.

In September 2014, the Parliament's Environment, Public Health and Food Safety (ENVI) Committee voted to accept reports of the Members of Parliament responsible for guiding the legislation through the European Parliament.

The vote went against the interest of GIRP members. The Parliaments Health Committee voted in favor of legislation that will force distributors to open each pack in order to check whether or not manufactures have complied with their product safety requirements. For instance, distributors will become responsible for checking if manufacturers have included the correct information with the product. This will mean that each device pack will have to be opened during the distribution process before the products reach the hands of pharmacists and healthcare professionals who dispense them to patients.

Unless Member States at the level of the Council intervene and remove the unworkable and even risky requirements, distributors will no longer be able to supply these products which will ultimately result in significant access problems for pharmacies to medical devices and in-vitro medical devices.

Distributors have a duty to provide for a high level of quality in the supply chain so that the safety and quality of the product is maintained and not compromised as they products pass through the distribution channel. Distributors are not qualified to carry out policing duties related to actual product safety which lies best in the hands national inspectorates".

GIRP calls on Member States to re-assert their authority and ability to police quality and safety requirement of actual medical device products and supervise that distributors ensure a high level of quality in the supply chain so that product safety is not compromised.

GIRP's 53rd Annual General Meeting in Lisbon, Portugal

The 53rd GIRP Annual General Meeting (AGM) took place from 3rd to 5th June 2012 in Lisbon (Sintra), Portugal. It was a pleasure to welcome nearly 200 participants to our annual conference, the subject matter which revolved around the theme of 'An Inspired Vision for Healthcare in Times of Change'.

In what can only be described as one of the best annual conferences to-date, we were honoured with the most senior of speakers from political and business fields in addition to delegates representing a wide range of branches of the healthcare sector.

European Commission President Mr. José Manuel Barroso in an opening key note address, delivered through a video message, described how pharmaceutical full-line wholesalers play a vital role in continuing to supply state of the art medicines to patients in Europe. He stated that a reflection on the theme of the conference "An inspired vision for healthcare in times of change" is more than ever necessary to ensure the universality of high quality and sustainable healthcare. President Barroso expressed his appreciation towards GIRP for the regular collaboration and contribution towards creating a solid regulatory framework for pharmaceuticals in Europe.

Also honouring GIRP with his participation, the former European Commissioner for Health Mr. John Dalli described how wholesale distributors have a key role in guaranteeing that supply is maintained. He very much welcomed ongoing initiatives by wholesale distributors to explore new services such as on patient compliance which provide better assistance to the patients and help to improve the sustainability of healthcare systems.

Mr. Paulo Macedo, the Portuguese Minister for Health also attending for a key note intervention, spoke about the ongoing difficulties for the healthcare system in his country and presented ideas on how to deal with the challenges ahead. He noted the contribution the pharmaceutical wholesaling sector makes to the overall healthcare system in his country.

The conference also brought together a top level group of executives from the hosting country to tackle the subject of "Doing Business in Times of Austerity – Lessons from Portugal". Portugal has been hit hard by the economic crisis so the session focused on the resulting difficulties for the healthcare sector and how stakeholders are responding to the hurdles head-on and try to best deal with the harsh economic realities in this period.

We also had the chance to hear how healthcare service providers are turning challenges into opportunities with mutual benefits arising to public health administrations and healthcare entrepreneurs in a session titled, "Strategic Reflections on Pharmaceutical and Healthcare Services – a European Outlook", which was composed of senior international and European executives from leading healthcare service provider companies.

Another top subject of last years' meeting was the "Dawn of a Pan-European Medicines Verification System" where we heard how the stakeholders' are responding to the Falsified Medicines Directive and its Delegated Acts ahead of which Mr. Richard Bergström, Director General of EFPIA gave a keynote address on his vision for the system, which was followed by the thoughts of the heads of the main stakeholder associations.

On the second day of the conference we looked at current and future opportunities for companies in the pharmaceutical sector in a session dedicated to "Responding with Hybrid Business Concepts to toughening Economic Conditions" in the presence of Dr. Rob Koremans President & CEO of TEVA Pharmaceuticals Europe. During the last session of the event we moved more globally with the "Pharmaceutical and Healthcare Services in the Global Market" session was included senior executives from some of the largest wholesale distributors, including Mr. Steve Collis, CEO of AmerisourceBergen Corporation (USA).

GIRP members attending a VIP lunch in the company of the former Health Commissioner Mr. John Dalli

Mrs. Monika Derecque-Pois, GIRP Director General welcomes the guests to the Gala Dinner at the Queluz Palace'

from left to right: Mr. Torsten Roos (Executive Board Member, Insight Health), Mr. René Jenny (GIRP President), Mrs. Liselotte Jenny and Mr. Antonio de Campos (Vice President, Groquifar)

Mr. Marcel Daniëls (Vice President Government Relations, Teva Pharmaceuticals Europe) and Ms. Annastiina Palmroth-Holst (Business Unit Director Pharmaceutical Trade, Oriola Oy)

AUTUMN CONFERENCE 2012

IN BRUSSELS, BELGIUM

GIRP and IMS dinner at the Maison du Luxembourg

Ms. Nancy McGee, Senior Vice President in the Patient Services Businesses, AmerisourceBergen

Mr. Per Troein, VP Strategic Partners at IMS Health

The Autumn Conference, organised on 6th November 2012, revolved around the topic of "Innovative healthcare solutions – adding value for patients". The Autumn Conference brought together speakers from amongst GIRP membership and representatives of international wholesale distributors. More than 80 participants attended the Autumn Conference.

The first session of the conference focused on an overview of the adherence and compliance services in the US and our speaker, Ms. Nancy McGee, Senior Vice President in the Patient Services Businesses spoke about AmerisourceBergen's projects and programs in the area. The following session was dedicated to patient compliance in Europe. We heard Mr. Ajit Malhi (AAH Pharmaceuticals) speaking about the economic perspective of patient compliance and its savings potential for the healthcare sector. Mr. Bert Kuipers from Mediq talked about the patients' perspective giving us examples from patients and analysing other patient compliance programs in Europe. Ms. Paulien Schul from Brocacef (PHOENIX) offered a comprehensive summary of the innovative solutions and services currently provided by wholesalers and their added value for the patients. Dr. Jürg Gasser (Mediservice) spoke about the evolution of compliance services in the next 10 – 20 years, from a demographic perspective and focusing on various disease areas. The last session of the conference tried to give healthcare systems the e-Push by discussing various eHealth programs run by our members in Finland, Estonia and Switzerland. Our distinguished speakers on the occasion were Mr. Eero Hautaniemi, President and CEO of Oriola-KD, Dr. Ulrich Schaefer, Head of Health Care Information at Galenica Ltd. and Mr. Leon Jankelevitsh the CEO of Magnum AS.

Reception at the European Parliament

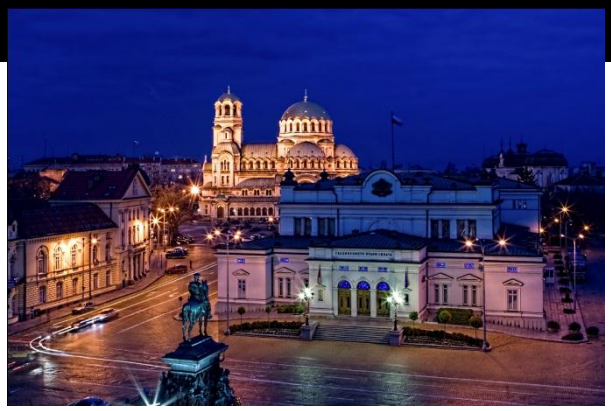
The 2012 Autumn Meeting was concluded by the GIRP Lunch Reception at the European Parliament on 6th November, with the participation of the conference delegates, as well as Members of the European Parliament, European Commission officials and various representatives of other European associations.

The Lunch Reception was centered on the topic 'Innovative healthcare solutions – adding value for patients. Mr. René Jenny, GIRP President opened the reception by emphasizing the full-line wholesalers' role as the one-stop-shop for all healthcare professionals all over Europe delivering vital medicines within a matter of hours to pharmacies right across Europe in order to give every other citizen any medicine whenever needed. GIRP President stressed on the fact that full-line wholesalers, besides their core business – the distribution of medicine - offer a wide range of innovative healthcare service solutions which add value to patients right across Europe.

The reception was kindly hosted by Ms. Françoise Grossetête and Ms. Antonyia Parvanova, MEPs, Members of the European Parliament's Committee on the Environment, Public Health and Food Safety. In their speeches, Ms. Grossetête and Ms. Parvanova stressed on the important part wholesalers play when it comes to innovation and the implementation of new practices. They also referred to the need for a tight collaboration between all the actors in the supply chain (physician, pharmacy, hospital, wholesaler and insurance) in order to ensure the best type of care for patients.

Ms. Monika Derecque-Pois and Mr. René Jenny in the company of Ms. Antonyia Parvanova and Ms. Françoise Grossetête, MEPs, Members of the European Parliament

GIRP's 54th Annual General Meeting in Sofia, Bulgaria



The 54th GIRP Annual General Meeting on "Medicines Access through Sustainable Healthcare Solutions" took place in Sofia, Bulgaria from 2nd to 4th June 2013.

In what we would deem one of our most successful annual conferences, we had the great pleasure to welcome most relevant speakers from the European Institutions and the healthcare sector as whole. Within the two conference days we started the discussions on medicines access from the Bulgarian perspective, moved on to Europe at large and finished with a glimpse into developments on an international level.

European Commissioner for Health and Consumer Policy, Mr. Tonio Borg, highlighted in his keynote video address the importance of pharmaceutical wholesalers within the European Commission's vision of a regulatory environment that ensures only safe, effective, and high-quality medicines are brought onto the market, while providing legal certainty for developers and incentives for innovation. Mr. Borg confirms that "pharmaceutical full-line wholesales have a key role to play in distributing and maintaining medicines supplies, even in remote locations." "They save pharmacies money and patients waiting time", he said. Moreover he stated, they "represent a thriving, innovative sector that generates economic growth and creates jobs."

Honouring GIRP with his participation, Mr. Gwenole Cozigou, Director for Resources based, manufacturing and Consumer goods industries, Directorate General Enterprise and Industry of the European Commission highlighted in his keynote address on the topic "Keeping European healthcare 'in shape' while on an austerity 'diet'", the European Commission's initiative on Corporate Social Responsibility and especially GIRP's contributions in the group on Access to Medicines in Small Markets. He mentioned further steps and finalising the initiative in autumn.

Mr. Stefano Soro, Head of Unit Medicinal products: quality, safety and efficacy. Directorate General for Health and Consumers of the European Commission emphasised the intensive cooperation between GIRP and his Directorate General concerning the Good Distribution Practice (GDP) guidelines. GIRP submitted with the help of its members a list of translation discrepancies and questions to the European Commission. These have been forwarded to translation services and the Commission will issue a corrigendum if deemed necessary.

During the conference, GIRP released in collaboration with the Institute of Pharmaeconomic Research (IPF) its latest data on full-line wholesalers' pre-financing contribution towards the healthcare system. In 2012, full-line wholesalers pre-financed the supply of medicines to the tune of EUR 10.5 billion over a period of 44 days, which is an increase of EUR 300 million and 3 days in as little as two years compared to the figures of 2010, when full-line wholesalers pre-financed the supply of medicines to the tune of EUR 10.2 billion over a period of 41 days. The updated data focus on the six largest European countries (France, Germany, Italy, the Netherlands, Spain and the UK) already analysed in a study carried out by the same institute in 2010.

In the post-conference workshop, GIRP, EAEPC (The European Association of Euro-Pharmaceutical Companies), EFPIA (European Federation of Pharmaceutical Industries and Associations, and PGEU (Pharmaceutical Group of the European Union) discussed together with EGA (European Generics medicines Association) about the European Medicines Verification System (EMVS) and the European Stakeholder Model (ESM) and its national implementation. The European perspective was completed by an insight into the first respective country project – the German securPharm project. Germany will be the first country connected to the EU-Hub of the ESM system. The objective of the workshop was to promote the ESM system towards Bulgarian stakeholders and national authorities.

We would like to seize this opportunity to thank all those of you who were involved in the preparations as well as our guests who were able to join us at this occasion and experienced the interesting discussions and welcoming atmosphere of our host city Sofia, Bulgaria. GIRP was delighted to welcome about 200 participants to the annual conference. We warmly thank our Bulgarian hosts BATEL, the Bulgarian Association of Pharmaceutical Wholesalers, for their great support in making this event a success. Pictures and presentations are available at our website.

from left to right: Mr. Ivailo Dimitrov (Sales Director, Libra JSC), Ms. Olia Vassileva (General Secretary, BATEL), Mr. Dimitar Dimitrov (Chairman, BATEL), Dr. Tanya Andreeva (Minister of Health of Bulgaria), René Jenny (GIRP President), Dr. Tatyana Benisheva (Chairperson of the Bulgarian National Reimbursement and Pricing Council), Ms. Monika Derecque-Pois (GIRP Director General)

from left to right: Mr. Wolfgang Mähr (Regional Director, Alliance Healthcare), Mr. Boris Azais (Director Public Policy, MSD Intl GmbH), Mr. Marcel Daniëls (Vice President of Government Relations, Teva Europe), Mr. Stefan Heine (Group Sales Director, Celesio), Mr. Andrew Hotchkiss (President of Europe, Australia and Canada, Eli Lilly), Dr. Roger Sorel (Board Member, GIRP)

Gala Dinner at the Natural History Museum in Sofia, Bulgaria'

Mr. René Jenny (GIRP President) and Mr. Gwenole Cozigou (Director for Resources based, manufacturing and Consumer goods industries, European Commission)

GIRP's New Look

Refreshed Corporate Identity

GIRP is proud to unveil its refreshed corporate identity which is accompanied by the launch of a new website.

In addition to the guiding principles of this new identity, GIRP has revised its statements on vision and mission. The logo has been modernised which now indicates more dynamism and integrity symbolising also the European level of cooperation. The new logo is a contemporary evolution of the current one and supports the goal of respecting the past while representing the future.

GIRP's new identity is now live on the website as well. The website has been rebuilt and redesigned and is now more modern, more functional and more attractive for visitors. It is easy to use and explore, in addition to presenting a professional appearance. The launch of the new website, which offers quick and easy access to essential information on GIRP and its activities, is part of the organisation's ongoing efforts to enhance the quality and availability of information to members.

GIRP the vital link in healthcare

former GIRP logo

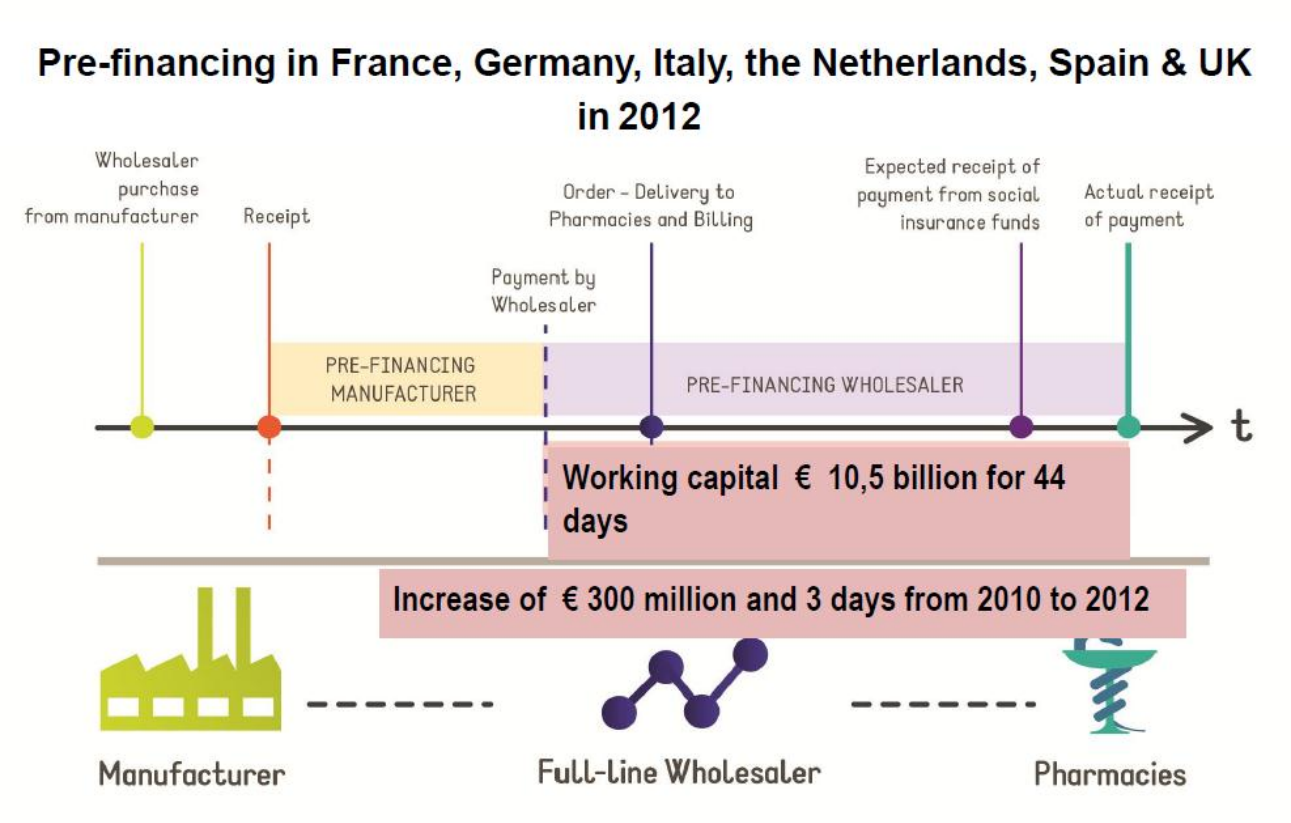
GIRP the vital link in healthcare

new GIRP logo

We invite you to take a look at www.girp.eu.

Updated **pre-financing figures** of the full-line wholesaling business in 2012

In 2013, in collaboration with the Institute of Pharmaeconomic Research (IPF), a scientific research institute based in Vienna, GIRP updated the data for the 6 largest European countries (France, Germany, Italy, the Netherlands, Spain & UK) for 2012, which have been the focus countries of a study carried out by the same institute in 2010. In 2010 for the 6 countries studied, full-line wholesalers pre-financed the supply of medicines to the tune of EUR 10.2 billion over a period of 41 days. In 2012 the numbers have increased to EUR 10.5 billion and 44 days respectively resulting in a clear increase of EUR 300 million and 3 days in as little as 2 years.



Pharmaceutical full-line wholesalers purchase, store and deliver medicines. They purchase medicines from manufacturers, store them in their own facilities and deliver them to pharmacies. Pharmaceutical full-line wholesalers are invoiced by manufacturers before they invoice their customers. Between the time of payment for goods received and time of receipt of payment for good delivered, wholesale distributors shoulder a heavy financial responsibility (working capital).

Considering the fact that in Europe around 85% of all medicines used by patients are delivered by pharmaceutical full-line wholesalers via pharmacies, the amount of financing involved is significant and hence pharmaceutical full-line wholesalers carry out a critical pre-financing function towards pharmaceutical manufacturers on the one hand and towards pharmacies on the other. Finally they release the burden of the already cash stripped healthcare systems.

As a result pharmaceutical full-line wholesalers:

- are the only supply chain operators to assume a pre-financing function towards manufacturers and pharmacies
- secure the cash flow for payers
- assume a significant risk in terms of working capital:
  - the time frame within which incoming invoices are paid (pharmaceutical full-line wholesalers to manufacturers),
  - the time frame within which the pharmaceutical wholesalers' stock is pre-financed,
  - the time frame within which outgoing invoices are paid.

The pre-financing varies hugely between countries, but there is a clear correlation between pharmaceutical manufacturers' and wholesalers' pre-financing for national markets.

It is important to emphasize that the real value of this contribution is largely unrecognised and highly under-valued by decision makers responsible for healthcare budgets. National healthcare budget decision makers are faced with an almost insurmountable challenge of ensuring a sustainable healthcare system for citizens while at the same time needing to extract costs from the healthcare system. One of the simplest forms of cost cutting is linked to reducing prices and margins of medicines. But simple price cuts and margin reduction strategies have their limits.

The current profit margin of the pharmaceutical full-line wholesale business is already in most cases below 1 percent (and falling). There is a clear danger that with rapidly lowering profitability levels the distribution chain will be pushed beyond its natural breaking point.

GIRP continues to work together with its supply chain partners, payers and decision makers to recognise the important pre-financing function which ensures the right medicines continue to reach the right places at the right time.

GIRP members

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