

Brussels, 1 June 2015

## Veterinary medicines: Is competition being hampered?

Generic veterinary medicines create a healthy competitive environment resulting in price decreases for both generic and originator products and more cost-effective treatments. Generics enhance the availability of medicines through well branched distribution channels and enable safe and effective medicines of great quality to become available to users not capable of affording or accessing expensive originator products. Increased availability is critical, especially in less wealthy regions and production sectors, and for treatment of animals with chronic conditions.

The [Commission proposal for a regulation on veterinary medicines](#) (published September 2014) completely changes the rules for competition between generics and originator products in a detrimental way. Generic companies will have to wait up to 18 years, as opposed to 10 years now, for the protection period of the originator drug to expire before accessing the market. The proposed policy therefore grants extra protection to originator companies.

Unfortunately, this approach has been supported and even aggravated by the [draft report from the ENVI rapporteur](#) (published 14 April 2015) enabling originator companies to easily gain 18 years exclusivity in the market place without generic competition.

The EGGVP (European Group for Generic Veterinary Products) fears such proposals will bring unwanted situations by generating monopolistic markets for 18 years per product. These 'locked' markets will result in a lack of sound price competition and affordability for users and consumers. This anticompetitive situation will facilitate price increases creating substantial barriers for animal health, welfare and public safety.

Supporters of such proposals claim these will increase the availability of veterinary medicines in limited markets and for minor species. The EGGVP argues that longer periods of exclusivity for originator companies do not result in higher availability, especially for limited markets and minor species struggling to attract the attention multinational companies currently have. Generic companies are often smaller companies or SMEs (small and medium sized enterprises) with the flexibility for reaching markets that bigger players may not be interested in. The Commission proposal will not leave room for small businesses to enter these niche markets and lead to veterinary drug shortages and delay new drug launches in these regions.

With regards to innovation, the Commission proposal will lead to a speculative use of research, less true innovation and potentially allow exploitable strategies by pharmaceutical giants.

The Proposal is currently being discussed at Parliament and Council. Fortunately, some MEPs are aware of the serious consequences this proposal entails, and therefore are working hard to rectify this. The EGGVP is willing to broaden the debate on balancing the competing needs of rewarding innovation and affordable access to treatment. The current 18 year proposal due mainly to the cumulative nature of protection (exclusivity) periods is not proportionate and adds to delays in competition. It should be reconsidered in order to maintain an inventory of veterinary generic drugs while avoiding any speculation on animal health.

### **About EGGVP – European Group for Generic Veterinary Products**

- Mainly composed of small and medium sized companies.
- Total turnover in 2013 over € 1.2 billion.
- Total number of employees in 2013 circa 5.000 employees.
- 23 direct associate companies, marketing authorisation holders of generic veterinary medicines.
- Headquarters of all EGGVP companies located in EU Member States (EU employment).

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