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### Big Pharma Relying On Old Lines Of Drugs, Report Says

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There is fresh evidence of the dwindling pipeline of new drugs from the pharmaceuticals industry in research today showing just 7% of sales come from medicines launched in the past five years. The report by CMR International, owned by Thomson Reuters, shows that the bulk of sales at the world's leading pharmaceuticals is derived from an ageing portfolio of drugs, while the number of medicines failing during late-stage testing is sharply on the rise.

The problem is the "patent cliff" - after a few years products lose the protection of the patent and generic drug makers are allowed to produce cheaper versions.

Christopher Sampson, a spokesman for AstraZeneca, conceded that there had been "a bit of a dip in the number of products in recent years across the industry", with new drugs not as big as existing blockbusters such as Pfizer's cholesterol medicine Lipitor, the largest-selling drug in the world. The percentage of revenue from new drugs fell from 8% a year ago.

"What you are seeing is a bit of a crisis," said Jane Sharples, general manager of CMR. "The science is getting tougher. A lot of the easy medicine has been done," she said. As a result, many drug makers resort to launching "me too" products that are similar to ones already on the market.

A decline in success rates for new drugs has taken its toll on productivity, as indicated by a doubling in the number of products scrapped after reaching the final stage of drug development between 2007 and 2009, compared with 2004-06.

"Late-stage drugs failing is clearly the crux of the problem for the industry," said Sampson. In recognition of this, pharmaceutical groups are buying in new medicines from smaller firms and teaming up with competitors and academic organisations to develop new treatments.

AstraZeneca, the UK's second-largest drug maker, has a joint venture with Bristol-Myers Squibb for two new diabetes drugs.

"The industry is really feeling the pain," said Sharples. "This is driving a big wave of M&A [mergers and acquisitions] activity to try to take costs out. There is general downsizing across the industry. Many realise they can't afford to fund such big pipelines."

For example, Pfizer cut some of its drug development portfolio before it merged with Wyeth last year to

save billions of dollars in research and development costs.

The report shows that spending on R&D slipped by 0.3% last year, following a 6.6% drop in 2008, in stark contrast to the growth rates seen in previous years.

Anti-cancer drugs are getting the biggest share of investment: nearly a fifth of the R&D pie. "It's such a large area for unmet medical need and there is a degree of success, which is encouragement for the industry," said Sharples. Drug makers are also focusing on Alzheimer's, because of ageing populations, and diabetes, which is becoming more common in younger children and emerging economies.

Sampson said the 7% figure was "not terribly surprising given the lifecycle of drugs". He pointed out that many medicines that are launched first in the US, the world's biggest drugs market, go on to have a second life in western Europe and emerging markets. AstraZeneca's cholesterol drug Crestor, Symbicort for asthma and the stomach acid reflux drug Nexium are selling very well in China.

Captions:

The industry has struggled to find new drugs to rival ones such as Pfizer's best-selling cholesterol treatment, Lipitor