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News / Story reproduced with thanks:- FiercePharma

France joins European price-cutting drive

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Add France to the list of European countries looking to cut spending on pharmaceuticals. The French government says it will cut its healthcare bill by \$735 million this year--and \$122 million of that will come in the form of drug-price cuts.

The move isn't nearly as dramatic as Germany's price reforms or Spain's cuts or Greece's 25 percent discounts. "The earlier implementation of the already approved price controls is very modest," Morgan Stanley says in a note to investors (as quoted by *Reuters*).

But when added all up, these European pricing moves take a significant bite from drugmakers' sales in the region. Already, Spain's Almirall has cut its 2010 guidance because of the European price cuts. And with the dollar strengthening against the euro, drugmakers that report results in dollars could be hit particularly hard.

And if Big Pharma fears hold true, the price cuts will continue to spread in Europe, where the financial crisis and budget deficits are prompting governments to cut spending wherever they can.