



„Fit for Purpose Global Health Policies”

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Gedeon Richter Plc.
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Gedeon Richter Plc: a corporate overview

- Company founded: 1901
- International locations: 31
- Number of employees : 11,650
- Vertically integrated pharmaceutical company
 - original research: (CNS)
 - branded marketing and sales: (female healthcare)
 - wholesale and retail
- Total revenues: €1,2bn, R&D spending: 13%
- Regional leader in R&D, more than 1000 researchers

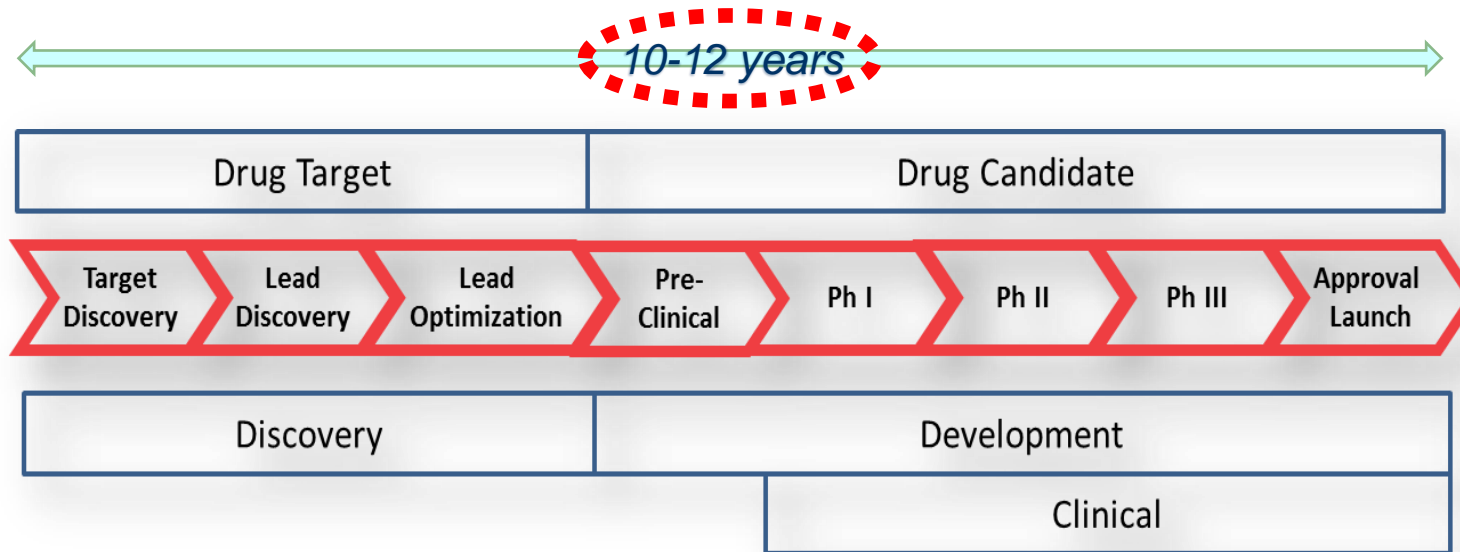


Mr. Gedeon Richter

The mission of a pharmaceutical corporation is...

- to create value by discovering, developing and producing safe and effective medicines of high quality to improve patients' health
- make profit by selling them and
- maintain this circle by re-investing in R&D of new medicines and technologies.

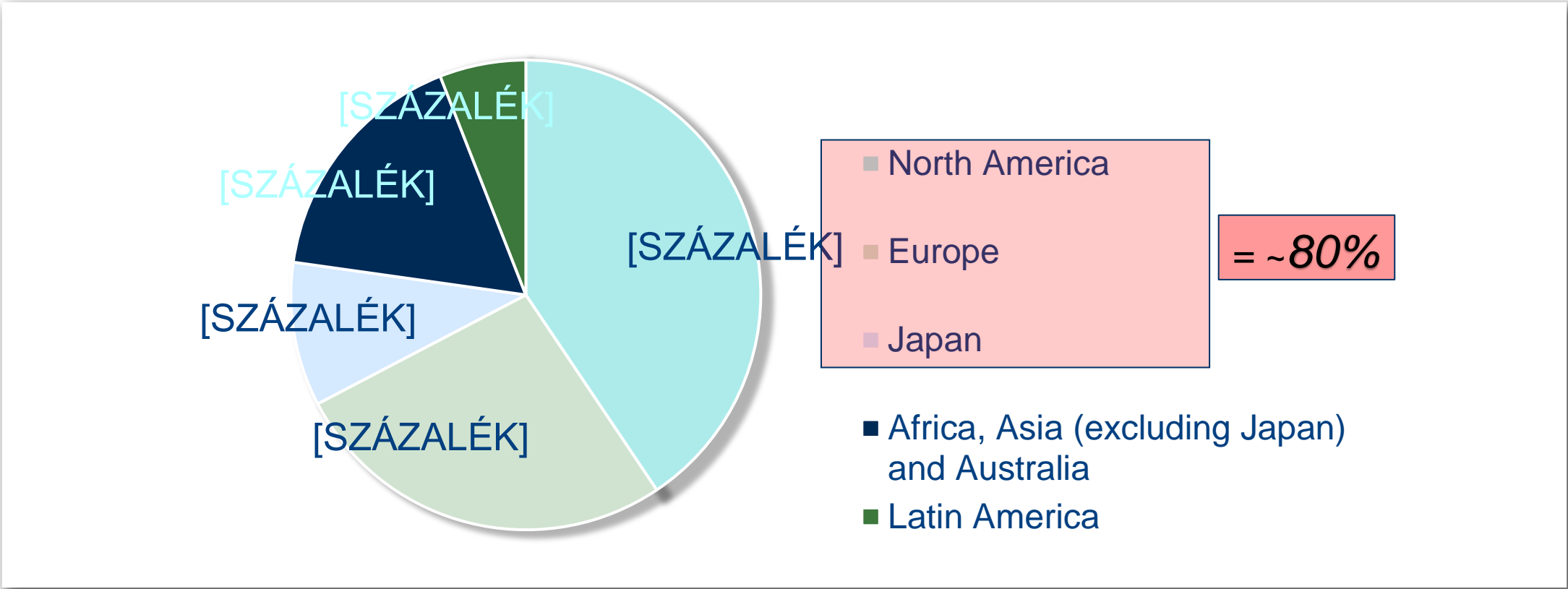
Drug discovery and development... ...is an expensive and risky business



Estimated cost of bringing a new chemical or biological entity to market
USD million, Year 2011 USD



World pharmaceutical markets (2013)

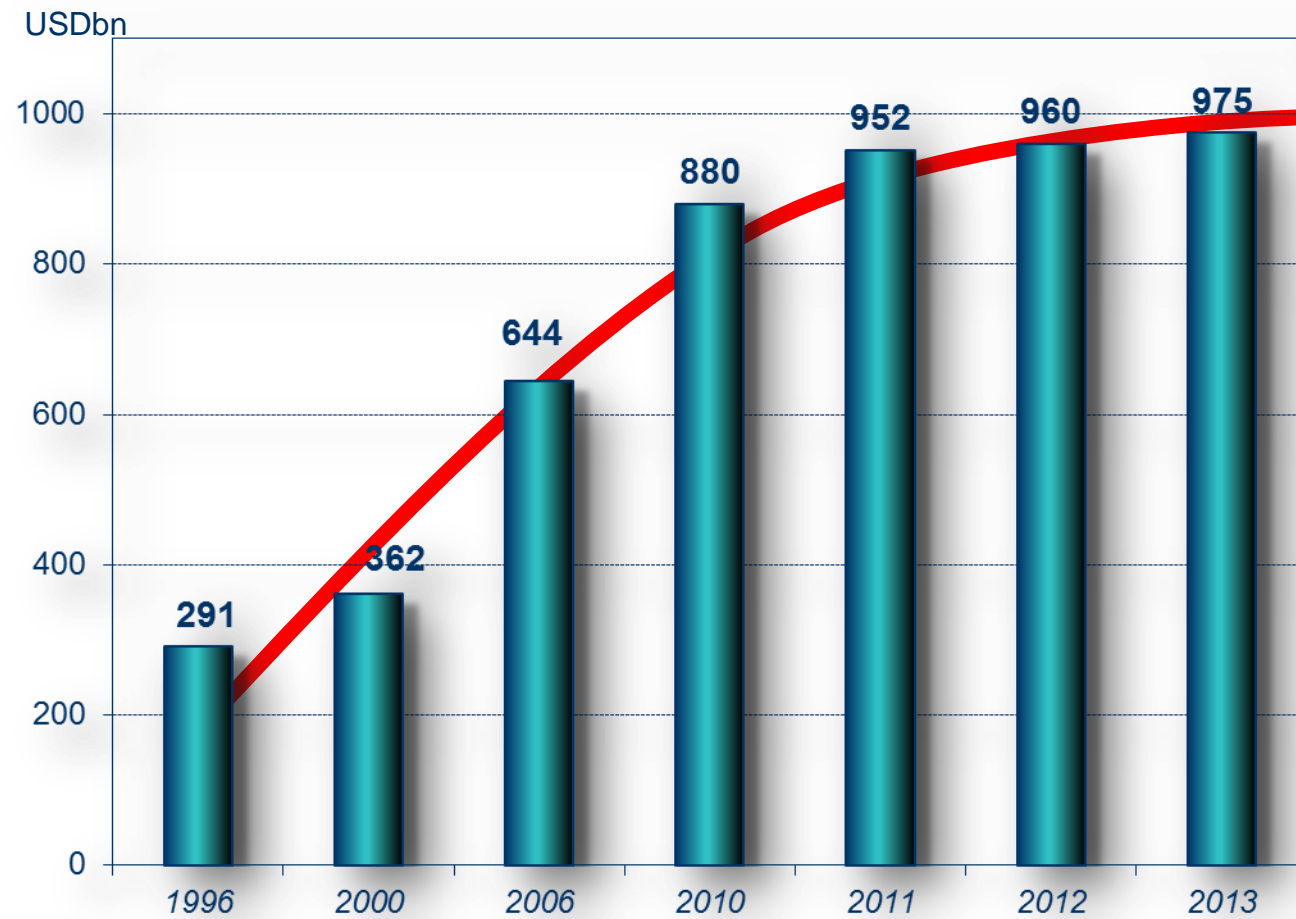


Global market in 2014 totaled in USD ~1000bn
In the top markets 50-80% of costs are paid by
social securities

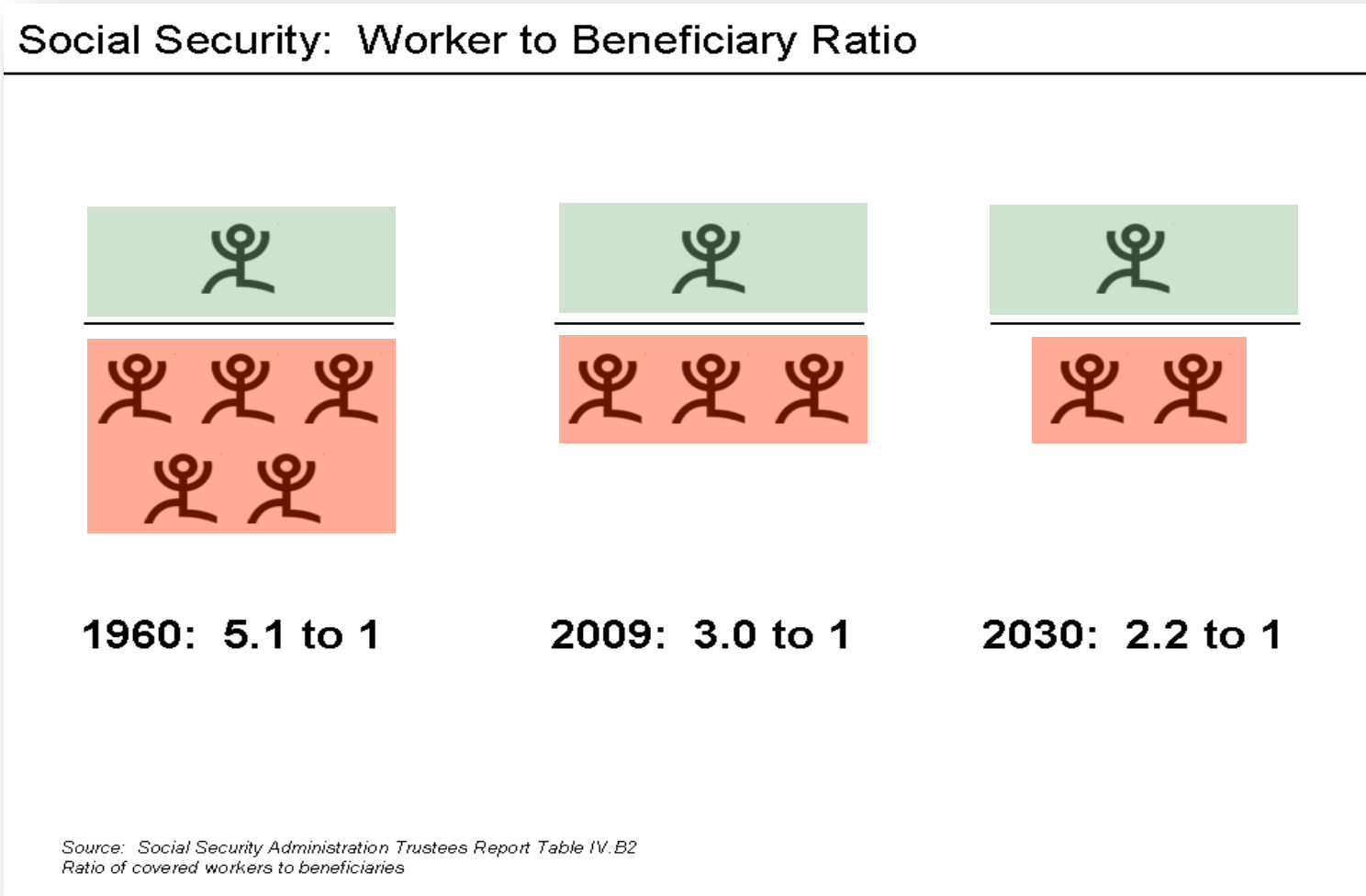


World pharmaceutical markets still growing...

The market tripled in 15 years time. But growth is slowing...



The root reasons: changing fertility rates and demography



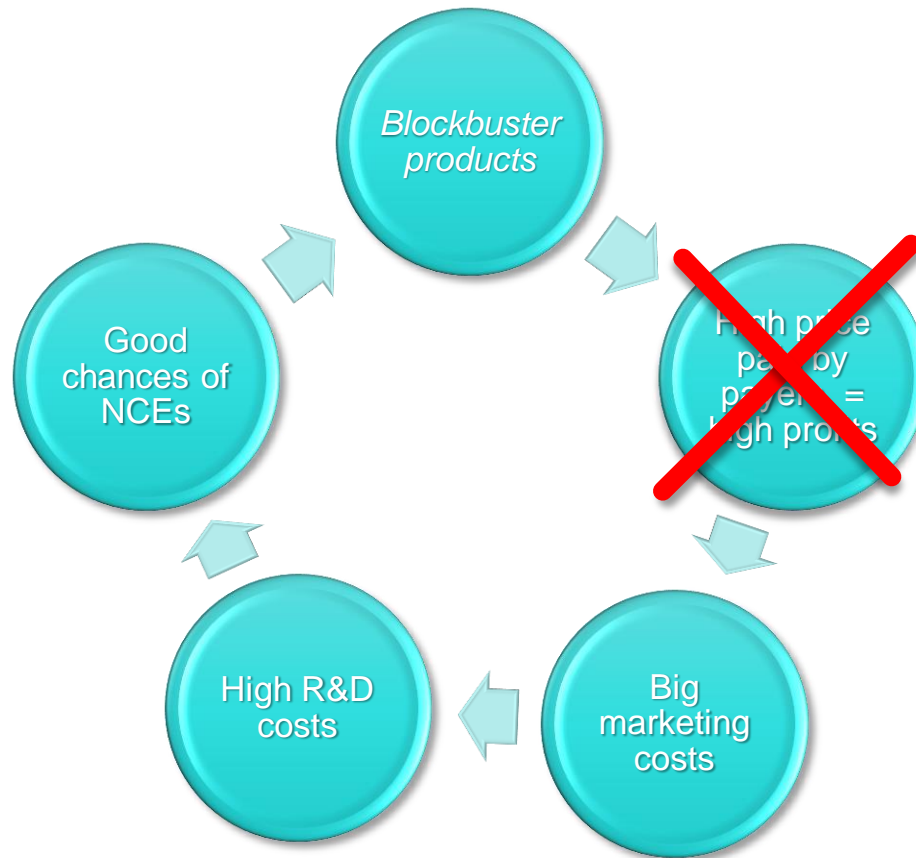
The main factors

- Declining „support ratio” = less income for social securities (payers)
- Growing life expectancy = elder people consume more drugs = more demand for healthcare/medicines budget
- Higher regulatory requirements = growing development costs
- Decreasing prices = lower profits

- Main barriers of drug development 20 years ago – innovation and regulatory
- Triple barrier today – innovation, regulatory and price/reimbursement

- Decreasing and more risky return on investment

The classical model of the 70's 80's



- Anti-ulcer products
- High blood pressure
- Oral contraceptives
- ...

Major inequalities exist

- Europe, North America and Japan: **20%** of the population represents **80%** of purchasing power in pharmaceuticals
- Companies tend to develop products to the needs of this 20% (developed countries)
- Needs of the 80% of population is less considered

Top causes of death are different in low and high income countries

Diseases against which no major cure is being developed

- Neglected tropical diseases (NTDs): diverse group of communicable diseases that prevail ... in 149 countries and affect more than one billion people.
- They mainly affect populations living in poverty...

- *Buruli ulcer*
- *Chagas disease*
- *Dengue and Chikungunya*
- *Dracunculiasis (guinea-worm disease)*
- *Echinococcosis*
- *Endemic treponematoses (Yaws)*

- *Foodborne trematodiasis*
- *Human African trypanosomiasis (sleeping sickness)*
- *Leishmaniasis*
- *Leprosy (Hansen disease)*
- *Lymphatic filariasis*

- *Onchocerciasis (river blindness)*
- *Rabies*
- *Schistosomiasis*
- *Soil-transmitted helminthiasis*
- *Taeniasis/Cysticercosis*
- *Trachoma*



Affordable access to treatment/medicines to all ill people

- R&D process of private companies must be feasible – someone must pay for it
- Governments and development aid agencies need to influence healthcare spending
- Growing social expectation for corporate social responsibility of companies to do „good”
- Need for socially responsible shareholders...



Thank you for your attention !

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