



DEZVOLTAREA PIEȚEI FARMACEUTICE A REPUBLICII MOLDOVA PRIN PRISMA ANALIZEI STATISTICE

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Abstract

În orice țară sectorul farmaceutic are un rol indispensabil în asigurarea domeniului social, având un impact major în dezvoltarea economică a țării în ansamblu. În prezenta lucrare se examinează evoluția pieței farmaceutice a Republicii Moldova sub aspectul cantitativ și calitativ al acesteia. O importanță majoră se acordă sistematizării participanților ce activează pe piața farmaceutică a Republicii Moldova, examinându-se în dinamică volumele acestei piețe. Totodată un rol important în funcționarea pieței farmaceutice îi revine prețului producției care, la rândul său, este supus unei reglementări stricte de stat impacturile cărui sunt, de asemenea, abordate în prezentul articol.

Cuvintele cheie: piața farmaceutică, medicamente, producători, distribuitori, prețul.

MOLDOVA PHARMACEUTICAL MARKET DEVELOPMENT IN TERMS OF STATISTICAL ANALYSIS

Abstract

In any country pharmaceutical sector has a vital role in ensuring social sphere, and having a major impact on the economic development of the country as a whole. This paper examines the evolution of the pharmaceutical market of

Moldova in terms of its quality and quantity. Consideration is given to the systematization of participants working in the pharmaceutical market of Moldova, by examining dynamically the volumes of this market. Also an important role in the pharmaceutical market has production price which in its turn is subject to strict state regulations and whose impacts are being addressed in this article.

Key-words: *pharmaceutical market, medicine, manufacturers, distributors, price.*

Introduction. The pharmaceutical sector is an area for development of any country, which imposes the need for strict regulation under various complex mechanisms. Given the importance of this sector in terms of life and health insurance, it is strictly necessary to ensure a reasonable level of prices in the pharmaceutical market, particularly in view of the low income population in Moldova. In this context it argues for the need to implement effective administrative measures to ensure the smooth functioning of market economy mechanisms in this field.

In recent years the pharmaceutical market in Moldova has grown quite pronounced, especially after improving the legislative framework in the field, and with the creation in 2005 of Medicines Agency. It is this entity that has been assigned by law functions in the field of policy and supervision, monitoring, regulation and quality assurance of pharmaceutical products.

Thus, the role of Medicines Agency becomes increasingly important in monitoring compliance rules of the pharmaceutical market. The activity of Medicines Agency and the policy of the State in this area influence trends and prospects for further development of the drug market.

Pharmaceutical activity is a scientific-practical field of healthcare, including medicines development, standardization, registration, manufacture, formulation, quality control, storage, information, delivery and dispensing population and management of pharmaceutical companies and their subdivisions, activities performed only by the pharmaceutical company, except research to develop and test drugs made in accordance with the legislation in force [1].

Access to basic medicines and pharmaceutical products in Moldova is implicitly guaranteed by the Constitution, as part of citizens' rights to health. Ensuring that access to essential, effective, safe and quality medicines for all categories of population is one of the responsibilities of the state, provided in state policy in the field of medicine.

Applied methods. The pharmaceutical market in Moldova is organized under a general model of market organization, based on the interaction of supply and demand, has a number of specific features caused by the influence of additional factors.



In Moldova request of pharmaceutical market consists of the following [3, p.20]:

1. Medicines with a prescription is the main category in which demand formation in a share of 71.4% of all marketed medicines and have the following specific features:

- ◆ With the entry into force of the Order of the Ministry of Health no. 960 signed on October 1, entered into force on 19.10.2012 which states that 80 percent of medicines in pharmacies can be purchased only under prescription, the number of medicines purchased with a prescription from 43% to 71.4 % increased. That amendment was justified by the fact that 30% of all hospital admissions are the result of incorrect administration of medicines;

- ◆ This category of request focuses on the individual decisions of final beneficiaries who play an insignificant or totally neglected role. The request form in this case focuses on a doctor's decision who prescribes a medicine or another, that highlights honesty duties in prescriptions issued by doctors.

Specific mode of formation of demand for prescription medicines occurs essentially in the operation of market economy mechanisms and the free interplay of supply and demand of medical products. In this way, it becomes necessary to introduce strict administrative supervision measures from the state.

2. Medicines without prescription - including those categories of pharmaceutical products that are characterized by their substitutability in everyday medical practice, the so-called alternative medicines. For this type of request there are important medicines in the formation of final beneficiaries' decisions. Moldovan Medicines Agency has developed and continuously monitors the list of medicines that can be released from pharmacies without a prescription under the Medicines Commission decision, approved by order of the Ministry of Health.

3. Medicines purchased by the state. In this category we can include two forms of state intervention in the market:

- ◆ Purchase of medicines through public auctions for the needs of public institutions, including health care facilities, schools, kindergartens, universities, boarding schools for children, nursing homes, etc. For this category there is characteristic risk of corruption that distorts the free interplay of forces of market.

- ◆ Compensation of medicines by the state, partially or wholly, from the budget. Compensated medicines are prescribed by the family doctor as medically indicated. In base of recipe by a family doctor, compensated

medicines are released in pharmacies that entered a contract with the National Health Insurance Company. The price for the compensated medicines is set by authorized pharmacies. Their market share is 2.5% offset products of the total pharmaceutical market.

The offer of pharmaceutical market in Moldova is composed of original products offered by one manufacturer that has developed new product and generic products already on the market for a certain period of time and are offered a wide range of manufacturers.

Given the sources of training of supply pharmaceutical market in Moldova the following categories can be identified:

- ◆ National local producers;
- ◆ Local producers with foreign capital;
- ◆ Importers.

The offer of pharmaceutical products on the market of Moldova is formed by the following categories:

- ◆ Wholesale Distributors;
- ◆ Retailers, i.e. pharmacies.

Each level of the supply chain has features and support specific regulations regarding the production and distribution of pharmaceutical products.

Research results. The number of enterprises in manufacturing industry and pharmaceutical medicines in Moldova during 2005-2013 has registered the following evolution.

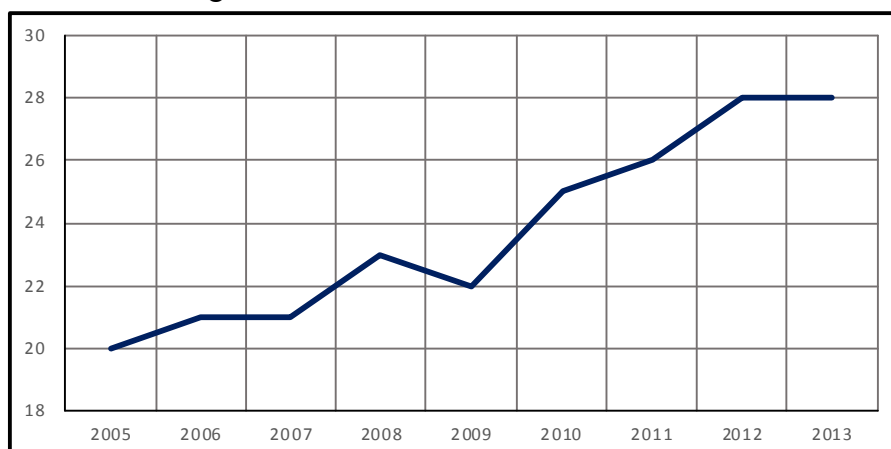


Figure 1. Evolution of the number of enterprises in the manufacturing industry of medicines and pharmaceutical products in Moldova during 2005-2013

Source: Prepared by the author based on the data from statistica.md



In the graph shown it can be concluded that the number of enterprises in manufacturing industry of medicines and pharmaceutical products in Moldova in the period 2005-2012 had a strong growth trend. In this way, the period considered the number of enterprises in manufacturing industry of medicines and pharmaceutical products that increased from 20 units to 28 units, which represents an increase of about 40%.

Local producers of pharmaceuticals in Moldova during the reporting period record the following dynamics.

For the pharmaceutical industry in Moldova, 2013 was noted, in particular by introducing mandatory standards of good manufacturing practice for medicines for domestic producers of medicines [2, page 3].

Following inspections and reports presented by the inspectorate, a committee, composed of representatives of Medicines and Medical Devices Agency and the Ministry of Health decided that just the companies that have expressed interest in the promotion and implementation of international standards of production have the right to produce and sell medicines on Moldovan territory.

Introduction of Good Manufacturing Practice for medicinal contributed to domestic producers of medicines whose number was reduced almost in half: from 28 companies, many were active until 2013, only 16 companies will continue to practice this activity.

The chart below shows the structure of domestic producers of medicines, indicating the total volume weight of each of medicinal products manufactured in 2012 in Moldova.

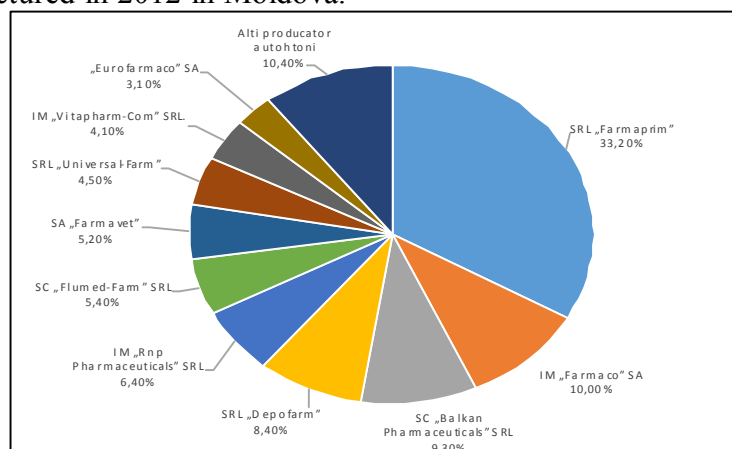


Figure 2. Structure of producers of medicines in Moldova according to the sales volume in 2012

Source: Prepared by the author based on data [3, p.23]

From the graph it is observed that the largest share in the structure of domestic producers of medicines has SRL “Farmaprim”, which was for about 33.2% of the sales volume of medicines produced by domestic producers as a whole, but the total volume of sales on the market of pharmaceutical companies in Moldova that lies only 2.4% as domestic market mainly focuses on the import of medicines. ÎM “Farmaco” SA and SC “Balkan Pharmaceuticals” SRL hold about 9-10% of the sales volume of medicines produced by local producers and other manufacturers have increasingly smaller weights.

With the increasing number of enterprises in the manufacturing industry of medicines and pharmaceutical products in the Republic of Moldova during 2005-2012 the value of production is also modified.

Further, there is development schedule of production value in manufacturing industry of medicines and pharmaceutical products in Moldova in the analyzed period.

The value of production in manufacturing industry of medicines and pharmaceutical products in Moldova in the period 2005-2012 has seen an

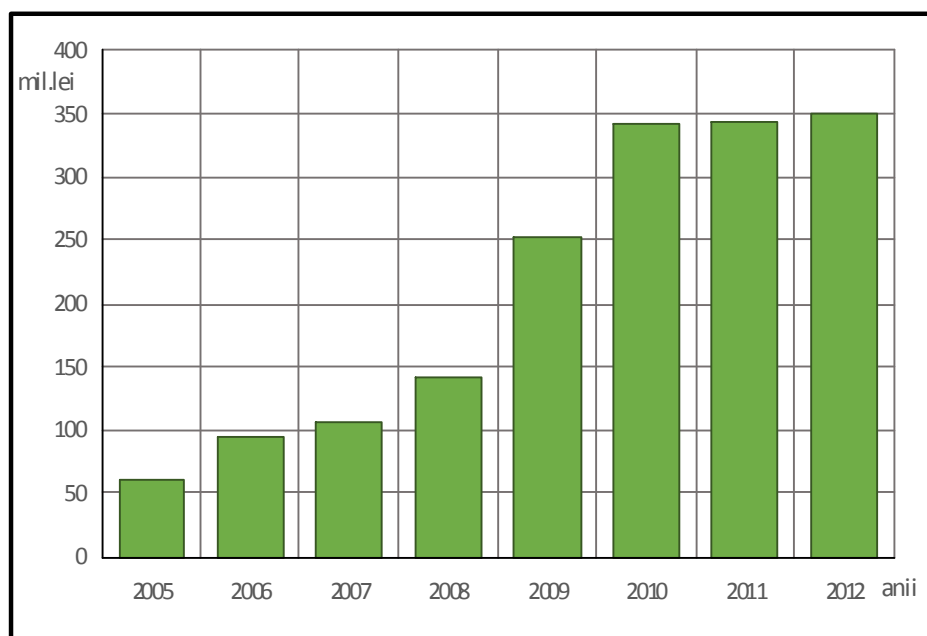


Figure 3. Evolution of the production value in manufacturing industry of medicines and pharmaceutical products in the Republic of Moldova in 2005-2012

Source: Prepared by the author based on data [5]



upward trend, increasing during this period of about 5.8 times. The highest rate of increase in the value of manufactured products to the value of the previous year was recorded in 2009, when this indicator increased by 78% over the previous year value.

It is worth mentioning that the increase in the value of output produced in the manufacturing industry of medicines and pharmaceutical products in Moldova in the period under review is due to both the increase in natural units of manufactured output and rising prices of manufactured products.

It is worth mentioning that the pharmaceutical market has certain specific elements compared to other markets for goods and services, which limits full implementation mechanisms of the market economy based on free interaction between supply and demand.

It is interesting to examine the structure of the pharmaceutical market in Moldova as sales volume of the total market, which is presented on the following figure.

It is noted that the structure of the pharmaceutical market in Moldova according to the sales volume of the total market in 2012, the largest share is held by companies specialized in the wholesale of pharmaceutical prod-

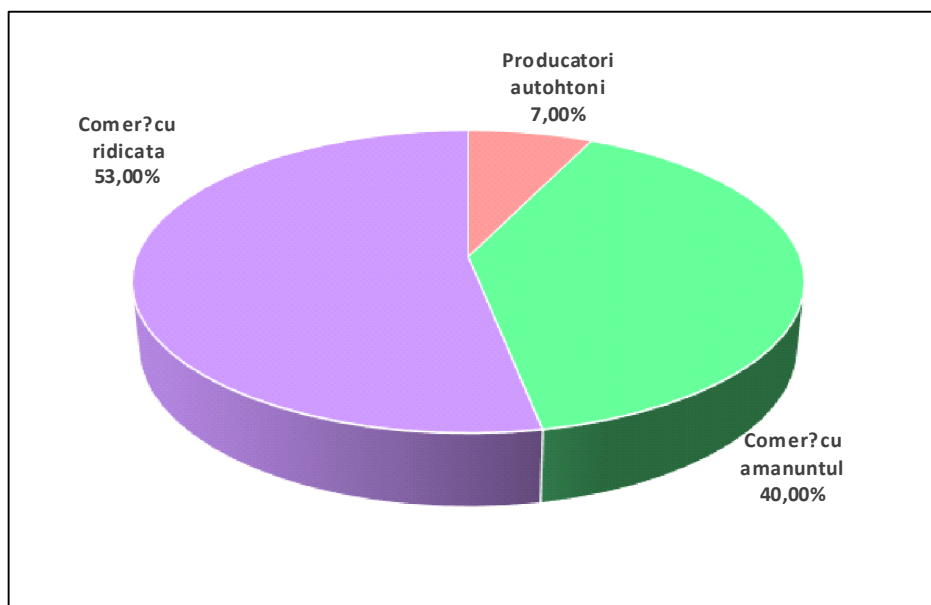


Figure 4. Structure of the pharmaceutical market in Moldova according to the sales volume of the total market in 2012

Source: [3, p.32]

ucts which use is about 53% of sales in this market. In turn, those specializing in retail of pharmaceutical products account for about 40% and the lowest share are held by manufacturers of medicinal products.

In 2012 178 companies worked in the Republic of Moldova, registered in the State Register of the Republic of Moldova that practiced the type of wholesale activity of pharmaceutical products, including 72 pharmaceutical deposits and 106 businesses, importers of pharmaceuticals.

It is interesting to note a comparative examination of the development of medicines price index relative to analog index prices of food and non-food products marketed in the Republic of Moldova in 2007 - 2013. The level and structure of price for offered enterprise products is the expression of the potential inside the company and the situation on the market. Pricing is closely related to market strategy and other components of the marketing mix.

Table 1. Evolution of the consumer price index in some groups of products in RM in 2007 – 2013

Types of goods	2007	2008	2009	2010	2011	2012	2013
foodstuff	111,0	115,6	94,4	105,7	108,4	103,8	106,6
non-food products	113,1	108,3	99,7	107,3	105,8	104,2	104,3
drugs	120,7	110,6	109,5	117,2	95,2	100,9	103,1

Source: [5]

After examining the comparative evolution of the drug prices index in relation to analog index of prices for foodstuff and non-food products marketed in the Republic of Moldova in 2007-2013 shows that this indicator varies uniformly, having an actual trend.

In general, basing on the graph we can conclude that the price index for all categories of goods recorded a peak in 2007, with the exception of food, whose upper limits manifest in 2008. At the same time it is noted that during 2007- 2010 medicines are a category of products that recorded the highest rate of prices, i.e. prices grew namely for those products with the highest rates. However, in 2011-2013 the situation changes radically and medication records a considerably lower price index (95.2 to 103.1%) compared with non-food goods and food. This is due to the introduction of state regulations related to medicines pricing, which will be analyzed in the paper just below.

A particular interest is paid at the examination of the structure of medicines sold in Moldova according to the product category and to the level of their price: cheap, average and expensive that is shown in the chart below.

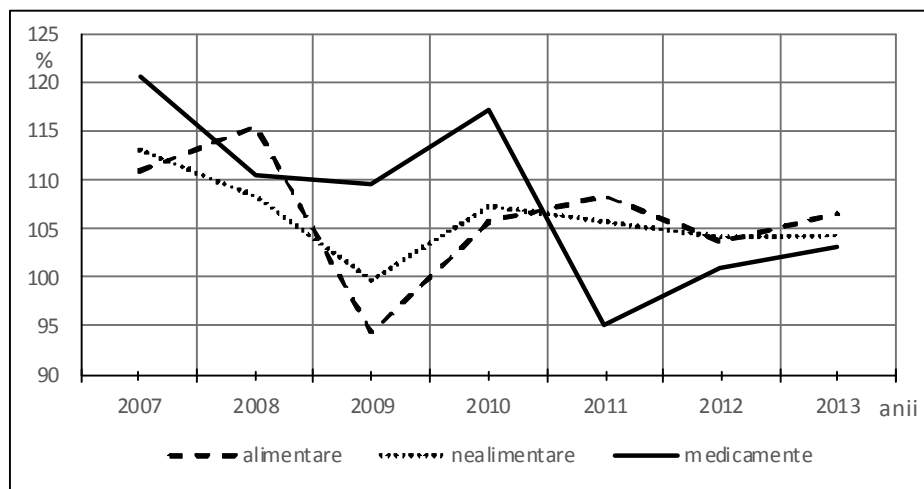


Figure 5. Evolution of the consumer price index in some groups of products in Moldova for 2007 - 2013

Source: Prepared by the author based on data from statistica.md

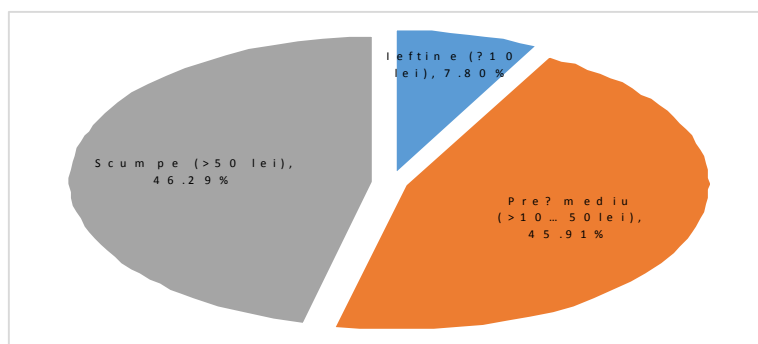


Figure 6. Structure of medicines sold in Moldova according to their price level in 2011-2013

Source: Prepared by the author based on data [2, p.15]

Comparing medicines sold in Moldova according to their price level in 2011-2013 it is observed that cheap medicines lose their weight (up to 10 lei) from 9.47% in 2011 to 7.8% in 2013. The share of medicines sold at an average price ranging between 10 and 50 lei tends to decrease from 47.74% to 45.91%. At the same time the share of expensive medicines (with unit price 50 EUR) is from 42.79% to 46.29%. These trends are explained by the devaluation of the MDL and by increasing household incomes that tend to purchase more expensive drugs, waiting from them better effects.

Conclusion. In recent years the pharmaceutical market in Moldova has grown quite pronounced, especially after improving the legislative framework in the field, and with the creation of Medicines Agency in 2005.

The offer on the pharmaceutical market in Moldova is composed of original products offered by one manufacturer that has developed new product and from generic products that are already on the market for a certain period of time and that are offered by a wide range of manufacturers. Taking into consideration the sources of training supply of the pharmaceutical market in Moldova following categories can be identified: national local producers, local producers with foreign capital, importers.

The number of domestic drug producers in 2005-2012 shows a rising trend, but the introduction of Good Manufacturing Practice Rules for medicinal contributed to the fact that the number of domestic producers of medicines was reduced in 2014 almost half: from 28 companies, that were active until 2013, only 16 companies will continue to practice this activity.

The value of production in manufacturing industry of medicines and pharmaceutical products in Moldova in 2005-2012 has seen an upward trend, increasing during this period to about 5.8 times.

The structure of the pharmaceutical market in Moldova according to the sales volume of the total market in 2012, the largest share is held by companies specialized in the wholesale of pharmaceutical products which use is about 53% of sales in this market. In its turn, those specializing in retail pharmaceutical products account for about 40% and the lowest share are held by drug manufacturers.

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