



Snapshot: The German Pharmaceuticals Industry

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In 2011, Germany's drug market was the fourth largest worldwide after the United States, Japan and China, with annual sales of 32.25 billion Euros. The German government remains committed to its fiscal austerity program and to further spending cuts by 2014. Market consolidation continues, and drug prices have been under pressure from de-reimbursement, fixed-level drug pricing and referencing pricing schemes. Between 2011 and 2015, the market is projected to grow annually at 3%, with the fastest growth in the specialized hospital market for new and expensive pharmaceuticals. The statutory health insurance system accounts for about 80% of the market, with tight reimbursement rules, greater use of generics and downward pressure on generic prices due to the rebate system and the full VAT of 19% levied on drug sales. Opportunities also exist for local production, research and acquisition of German drug firms.

Despite sluggish market growth in recent years and increasing competition from generic drug manufacturers as a result of patent expiration, Germany remains an attractive export market to innovative U.S. drugmakers. Recent sales growth has been for drugs for acute conditions such as cancer, rheumatoid arthritis, and multiple sclerosis; but also for chronic conditions such as cardiovascular diseases; diabetes; and preventive medicine. Drugs for rare diseases, so-called Orphan Drugs, with market exclusivity for 10 years in the European Union, should also see good market potential as should bio-based medication; personalized medicines; and biosimilars.

(2011 figures, in Euros; source: German Pharmaceutical Industry Association/BPI; December 2012)

Manufacturers	899 (officially registered in trade registry)
Biotechnology	397
Production	26.9 billion (+0.2%)
Exports	50.4 billion (-1.4%)
Target Export Markets:	
Belgium	7.5 billion
Netherlands	6.7 billion
United States	5.7 billion
Switzerland	3.2 billion
Workforce	105,435
Investment into R&D	

(2011) 3.9 billion (+ 5.1%)

Global Pharmaceuticals Market

Total	684.2 billion (+8.4%)
North America	247.4 billion (+3.3%)
European Union	189.3 billion (+6.5%)
Asia/Africa/Australia	198.6 billion (+16.5%)
Japan	80.1 billion (+15.9%)
Latin America	48.8 billion (+11.7%)

Pharmaceutical Expenditures in the German Healthcare System

Statutory Health Insurance/SHI Funds	179.6 billion (+2.1%)
SHI Expenditures for Pharmaceuticals	28.9 billion (-3.8%)
	16.1% of total expenditures
SHI Expenditures on Medication per Insured	
Annually, in Euros	380

Main suppliers of pharmaceuticals to Germany (in million Euros)

	2006	2007	2008	2009	2010	2011
Switzerland	2,729.9	4,502.61	4,333.46	4,845.13	5,463.7	6,376.5
USA	5,027.26	5,931.85	6,501.5	7,193.86	6,253.57	5,728.23
Ireland*	8,283.95	8,626.71	8,985.03	7,934.95	6,751.54	4,653.31
Netherlands	952.55	1,369.03	1,224.94	1,182.51	1,954.97	4,127.49
United Kingdom	1,815.59	1,847.81	1,682.72	2,299.63	2,569.65	3,313.73

*As a result of generous EU subsidies, many chemical and pharmaceutical manufacturers located in Ireland over the past few years to manufacture intermediate products and then export them for processing, which has considerably increased trade with Ireland.

Main importers of pharmaceutical drugs from Germany (in million Euros)

	2006	2007	2008	2009	2010	2011
Belgium*	10,076.72	11,070.24	11,616.23	10,918.27	10,495.8	7,531.28
Netherlands	2,497.69	3,526.56	4,367.44	4,423.55	6,553.1	6,676.76
USA	4,222.33	4,330.88	5,752.41	5,861.38	4,979.74	5,665.32
Switzerland	2,320.16	2,488.89	2,419.29	2,865.12	2,818.90	3,221.24
France	1,576.24	1,903.22	2,249.68	2,255.97	2,525.98	2,752.75

*High exports through special effects (VCI)

BPI estimates based on VCI-Chemical Industry Association and Federal Statistical Office data 2012.

German Pharmacy Market

Pharmacy Market Sales (manufacturers' prices) 26.2 billion (up 2.1% over 2010)

Of these, RX 20.8 billion (up 1.7%)

Of these, OTC 2.9 billion (up 2.8%)

Top 10 Indications in the SHI Market 2011 according to Sales

Indication	Euro million	Increase % over previous year	% share of total volume	% share of total sales
TOTAL	32,146.6	0.7	100	100
anti-TNF preparations	1,244.9	13.4	3.87	0.05
Human insulin&analogics	1,216	1.87	3.78	1.75
Anti-depressants/ Mood stabilizers	1,187.9	3.36	3.7	1.78
analgesics, narcotics	951.4	2.85	2.96	0.96
diabetes tests	902.9	0.68	2.81	3.50
Anti-epileptics	869	6.08	2.7	1.39
Angiotensin-II antagonists	819.2	4.65	2.55	1.22
Interferons	813.8	2.33	2.53	0.05
Other anti-neoplastic	813.1	4.45	2.53	0.08
Ulcer medication	806.3	-12.15	2.51	4.27

(BPI estimates based on Insight Health 2012 data)

Price Levels for SHI reimbursable

Pharmaceuticals -2.2% (down from 2010)

Number of Registered Pharmaceuticals

According to German "Red List ®" 2011 7,428 Preparations

Pharmaceutical Trade Shows with International Attendance

<p>CPHI</p> <p>Date: October 22-24, 2013 Venue: Frankfurt, Germany</p> <p>Organizer: UBMI BV trading as UBM Live de Entrée 73, Toren A 1101 BH Amsterdam Or: P.O. Box 122740, 1100 AS Amsterdam Z.O The Netherlands</p> <p>Internet: www.ubmlive.com</p>	<p>Expopharm</p> <p>Date: September 18-21, 2013 Venue: Dusseldorf, Germany</p> <p>Organizer: Werbe- und Vertriebsgesellschaft Deutscher Apotheker mbH Carl-Mannich-Straße 26 65760 Eschborn, Germany</p> <p>Internet: http://www.expopharm.de/index.php</p>
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For More Information

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<http://www.buyusa.gov/germany>

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