

Global Dynamics of Drug Pricing: Analyzing the Influence of Emerging Countries on Pricing Strategies in Developed Nations

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OBJECTIVE

- This study aims to investigate the **impact of drug pricing in emerging countries within established developed markets.**

METHODOLOGY

- To map out the pricing evolution of two oncologic drugs, **TECENTRIQ (Roche)** and **IMFINZI (AstraZeneca)** for the treatment of multiple solid cancers, across a selection of **developed and emerging countries** according to their **market potential, historical drug gross prices** and **launch dates** were extracted from official local sources^{1,2,3,4}.
- To contextualize these findings, a review of current industry strategies aimed at improving access and prioritizing launches in low- and middle-income countries (LMICs) was also conducted.

RESULTS

- The **pharmaceutical industry** is currently undergoing significant **transformations** in their efforts towards **achieving global health equity**. This paradigm shift presents an opportunity for companies to reconsider their launch sequencing, with a growing emphasis on prioritizing emerging markets as primary targets, deviating from conventional practices.
- The **launch date and price evolution for TECENTRIQ and IMFINZI** were analyzed across **several countries worldwide** (Table 1).
- Both drugs are **available in developed and emerging markets**, addressing critical gaps in treatment for metastatic and advanced-stage cancers. Despite their availability, **neither drug is listed at the World Health Organization Essential Medicines List (EML)**⁵. Notably, applications for their inclusion were submitted by the European Society for Medical Oncology (ESMO) in 2019 and 2021 but were **rejected due to cost, affordability, and overall feasibility**⁶.

Table 1. Countries included in the analysis

Developed countries	Principal emerging countries	Other emerging countries
France	Brazil	Czech Republic
Germany	China	Egypt
Italy	Russia	Jordan
Spain	South Africa	Latvia
United Kingdom	South Korea	
United States		

- It is a common practice that some countries apply **External Reference Pricing (ERP)** to modulate the gross price, making the **launch sequence a critical factor in strategic planning at launch**, and further impacting lifecycle management.
- No clear trend for TECENTRIQ launch sequence** was identified (Figure 1). In contrast, **IMFINZI** (Figure 2) followed a more structured pattern, **launching first in developed countries**, also including Brazil, before expanding to other emerging markets.

Figure 1. Product launch date for TECENTRIQ

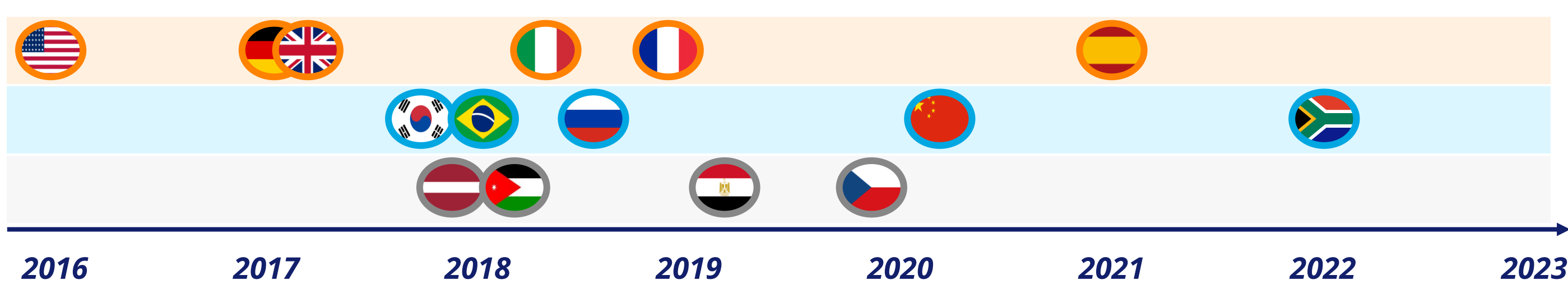
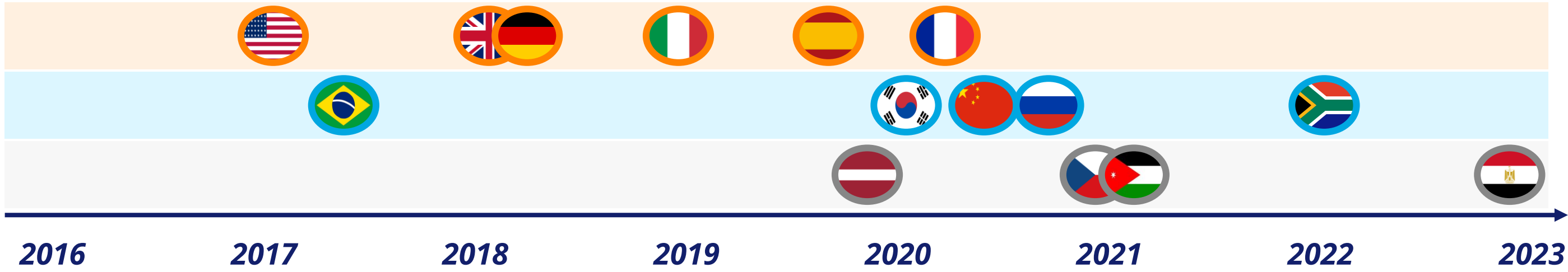


Figure 2. Product launch date for IMFINZI



CONCLUSION

The **pricing strategies adopted in emerging countries do not manifest a discernible impact** on the **pricing in developed nations**. Despite an exploration of launch dynamics in emerging markets, **no apparent correlation was found** between these launches and the pricing trends witnessed in developed countries. Additionally, an **analysis of pricing criteria** in developed nations revealed a **noninterest regarding the situation in emerging countries**. In light of these observations, it can be inferred that a recalibration of the historical **launch sequence for drugs is feasible**, as it is **unlikely to impact the pricing in developed countries**. Further investigations would be needed to understand the trend in other therapeutic areas. Additionally, **leveraging the WHO EML** could serve as an effective strategy to **enhance access to drugs in LMICs**, ensuring that essential drugs are available and affordable for populations in need.

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- In conclusion, **emerging markets are typically not prioritized**, except for **larger ones** like Brazil, Russia, and China, following **conventional industry practices**. However, **launch dates are influenced not only by the company decision** but also by **each country's pricing and reimbursement** systems and dynamics, and regulatory timelines that could be challenging in LMICs.
- At launch, the **average gross price in emerging markets was 20% to 40% lower than that in developed countries**.
- Gross price evolution in EU4+UK+US (Figures 3 and 4) shows that in developed countries, **price changes at the gross level occurred only in France and Germany**. Price fluctuations were **linked to label extensions, company decisions** and **country-specific factors**, rather than being related to the gross price impact from emerging countries. In **Italy, Spain, and the UK, gross prices remained unchanged**, since negotiations after indication expansion typically occur at the net level, while in the US, periodic annual gross price increases were observed. Analysis of **pricing criteria and ERP rules** in developed countries also revealed **noninterest in the pricing situation in emerging markets**. A limitation of this study is the **lack of visibility into company strategies**.

Figure 3. Gross price evolution of TECENTRIQ in EU4, UK and US

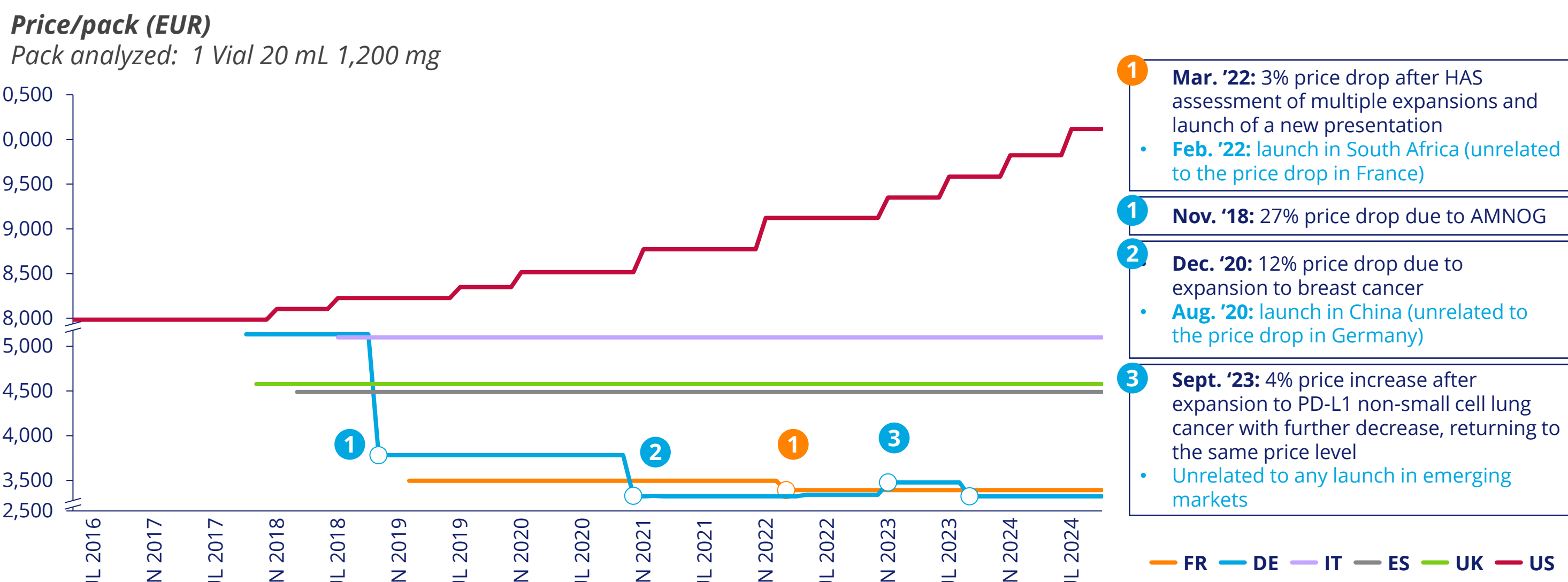
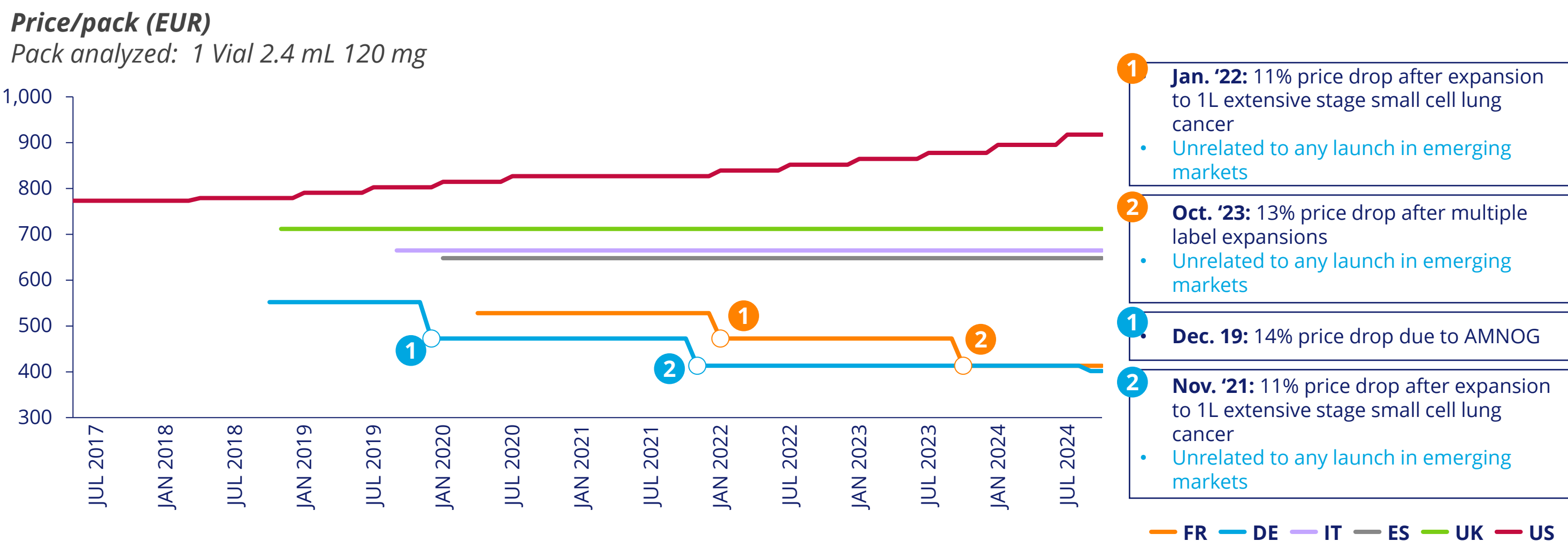


Figure 4. Gross price evolution of IMFINZI in EU4, UK and US



- There are studies assessing the access to drugs in emerging markets; however, **no initiatives specifically targeting drug pricing were identified**. Based on a report developed by the nonprofit Access to Medicine Foundation⁷, major pharmaceutical companies have launched **initiatives to improve access to medicines in LMICs**. Key highlights of the analysis include:
 - There is **no industry-wide standard** on patient reach in LMICs, with most companies relying on **sales or donations, not illustrative of real access**.
 - Novartis** exceeded its goal of **increasing patient reach by 200%** in LMICs, using WHO guidelines and product-specific data, and **Eli Lilly** aims to reach 30 million patients by 2030, including **1 million diabetics in low-income countries**, though efforts on insulin access (with Sanofi and Novo Nordisk) are limited.
 - Companies like **Novartis and Bayer** are **linking patient access efforts to sustainability goals**.