



Europe's Pharma Leaders Call for Higher Drug Prices at Home

(Source: An article by Kevin Grogan for Scrip Citeline)

The leaders of two of Europe's pharma giants have urged the EU to increase drug prices towards levels paid in the U.S., a move which is likely to encounter resistance.

In a letter to the Financial Times, the CEOs of Novartis and Sanofi – Vas Narasimhan and Paul Hudson, respectively – argued that “European price controls and austerity measures reduce the attractiveness of its markets.” They added that “launch prices are suppressed, patented medicines’ growth are capped, and prices are reduced when new applications are found. The U.S. and China are finding ways to incentivize innovation, while Europe is penalizing it.”

The CEOs went on to say that “Europe’s largest issue is failing to properly value innovation,” noting that the US pharmaceutical market “is twice the size of Europe’s, despite a smaller population.” They added: “In the new world context, Europe’s pharmaceutical model of producing in Europe and exporting to the U.S cannot continue. It needs to strengthen its domestic market.”

Narasimhan and Hudson cited recent data which showed that over 30% of medicines approved in the US were not available in Europe after two years. “While home to some of the most important biopharma companies in the world, its position is in jeopardy,” they said, and “against a backdrop of waning European biopharma competitiveness, the uncertainty of tariffs is further reducing incentives to invest in the EU.”

They pointed out that pharma companies have announced “investments of more than US\$150 billion in the U.S. in recent weeks [and] in Europe, there have been no such announcements.” Earlier this week, Roche said it would invest US\$50 billion in the U.S. over the next five years, adding to a rush of similar pledges in the sector and days after Narasimhan said Novartis would spend US\$23 billion on manufacturing and R&D over the same time period. U.S. drugmakers Johnson & Johnson, Merck & Co and Eli Lilly have promised similar huge investment as the industry looks to soften the financial impact from any pharma tariff scheme.

The CEOs laid out a three-point plan. First up, they said the EU should implement “a Europe-wide list price that fully values a medicine or new indications”, setting a benchmark for member states, within range of US net prices and adjusted via rebates to member states.”

Secondly, they argued that the EU should set a spend target for innovative medicines and vaccines” so that member states increase support for new medicines and fairly reward innovation,” while finally, “individual countries should end artificially capping biopharma market growth and reducing prices for new indications. This creates a clear disincentive for innovators.”

Narasimhan and Hudson concluded by saying that Europe had “leading universities, talent and hospitals. With deregulation and an attractive market for innovation, it can succeed. However,

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♦ **AbbVie** announced plans to spend US\$10 billion in the U.S. through 2035 to support its current growth plans and expand into new areas like obesity. The company did not go into fine details of the domestic investment plan but noted that a portion of the sum will be earmarked to build four new U.S. production facilities devoted to active pharmaceutical ingredients, drug products, peptides and devices.

♦ **Walgreens** has teamed up with **Guild**, a talent development agency, to launch *PharmStart*, a first-of-its-kind fully funded online education program designed to help eligible team members meet prerequisite requirements for pharmacy school. The program aims to eliminate barriers to pursuing a PharmD degree, tapping into a new pool of talent while also addressing critical challenges in the pharmacist talent pipeline. Separately, Walgreens held their *National Prescription Drug Take Back Day* on April 26th to encourage safe drug disposal of unwanted, unused or expired medications.

♦ **Regeneron Pharmaceuticals** announced an investment in its manufacturing and R&D footprint in the U.S. The company entered into an agreement with **Fujifilm Diosynth Biotechnologies** to manufacture and supply bulk drug product of its commercial biologic medicines at Fujifilm’s Holly Springs North Carolina campus over ten years, with the technology transfer to begin immediately. The total investment is expected to be more than US\$3 billion. Regeneron also plans to invest approximately US\$3.6 billion in its operations in New York state including an expansion of its Tarrytown campus center.

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Consumers Adjusting Purchasing Decisions Amid Tariffs and Elevated Prices

(Source: An article by Marianne Wilson for Drug Store News)

Rising prices and debt, immigration concerns and severe weather are producing material changes to typical retail activity, particularly in the U.S., ahead of unknown tariff impacts.

While the impact of tariffs remains unknown, consumers are already adjusting purchase decisions as a result of broader circumstances that are impacting them now, according to a new report from Circana. The continued pressure of elevated prices, rising debt, concern among the Hispanic population, extreme weather and natural disasters are disrupting normal spending patterns.

“Dynamic shifts in consumption are already occurring across consumer groups and retail segments,” said Marshal Cohen, chief retail industry advisor for Circana. “The consumer is in a state of confusion and trying to decipher how to prioritize their purchases in an environment of significant change.”

Since 2020, prices have risen across most consumer goods,

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Europe's Pharma Leaders (cont'd.)...

it must act decisively and urgently or decline will set in and departure of companies will accelerate.”

In response to the FT letter, AstraZeneca CEO Pascal Soriot said: “The world order is shifting right now and Europe needs to invest more in what really matters to it. Europe has stepped up to invest more in defense and now it must protect its health sovereignty.”

He added that Europe spent a “substantially lower share of GDP on innovative medicines than the U.S. and, as a result, is falling behind in attracting R&D and manufacturing investments, putting its ability to protect the health of its own people at risk.”

The letter comes a couple of weeks after the European Commission's president Ursula von der Leyen held a “strategic dialogue” with pharma CEOs, the European Federation of Pharmaceutical Industries and Associations (EFPIA) and other trade associations. The discussion centered around concerns about the broad ramifications of US tariffs but the pharma representatives also restated calls for more sector-friendly reforms in the EU, such as addressing regulatory barriers and supporting innovative industries.

Consumers (cont'd.)...

and wages have lagged, resulting in weakened consumer demand. While there is less of a gap in retail food and beverage and foodservice, the impact on discretionary general merchandise and non-edible consumer packaged goods is noticeable.

In 2023, general merchandise reached a peak average price increase of 25% over pre-pandemic 2019 levels, and demand had fallen as low as a 9% decline. In the fourth quarter of 2024, the average price increase of goods sold was up 17%, and unit demand slowed to a 7% decline.

Part of the recent shifts is the result of consumers choosing more mainstream or value product options, including private label, moving their spending away from the more premium offerings, noted Circana.

Some spending shifts are specific to consumer groups. Discretionary purchasing among Hispanic consumers continues to fall at a faster pace than non-Hispanic purchasing. The declines that accelerated in the second half of 2024, and continue through early 2025, have resulted in the first time in two years that Hispanic consumer demand under-performed that of non-Hispanic consumers.

Other changes in consumption are more regional, like those related to major weather events or natural disasters. In the first week of 2025, Southern California wildfires and a major winter storm (“Blair”) initiated spending disruptions that deepened discretionary spending declines from a 1% 2024 average to 4% for that week. Another major winter storm (“Enzo”) then dropped record-breaking snow on parts of the Gulf Coast, resulting in double-digit discretionary dollar sales declines in that region. Those unexpected storms, and generally colder temperatures in the U.S. this January provided a boost for many cold-weather categories that consumers needed in the moment.

“Unexpected events create unexpected needs, and put added pressure on consumers,” said Cohen. “As more uncertainty and new dynamics enter the picture, the consumer has made it clear that they will not continue to spend in their usual way.”

NACDS President & CEO Calls on Members to Lead Through Disruption

(Source: An article by Juianne Mobilian for Drug Store News)

NACDS President and CEO Steve Anderson addressed attendees about key issues facing the industry at the NACDS Annual Meeting held April 26th – 29th at the Breakers in West Palm Beach, Florida. Topping the list of challenges was PBM reform, tariffs and healthcare legislation. Anderson urged for immediate Congressional action. He also detailed NACDS's successful advocacy for pharmacy reimbursement, vaccine access and pharmacist services, highlighting recent wins at the state and local levels. Among the accomplishments he celebrated was the Nourish My Health initiative, in partnership with organizations such as AARP and the American Cancer Society.

Anderson pointed to data interoperability and the responsible use of AI in pharmacy as emerging priorities, noting NACDS's positioning at the forefront of healthcare innovation. As he concluded, he reminded members that NACDS has thrived through the decades of national change, and today's work would once again shape the future.

In Brief (cont.)

- ♦ **Merck KGaA** has purchased **Pfizer** spinoff **SpringWorks** for an equity value of US\$3.9 billion. Merck KGaA called the buyout “a major step in our active portfolio strategy to position our company as a globally diversified, innovation and technology powerhouse.” SpringWorks' history goes back to 2017, which it was spun out of Pfizer with two drugs in phase 3, which have since been approved.

- ♦ **Sanofi** has set a goal to become a top three pharmaceutical company in Japan by revenue by 2030 by continuing its double-digit growth towards the end of the decade, in-country company president, *Takahiko Iwaya* said. In 2024, Sanofi's Japanese sales were up 11.8% over the prior year. Iwaya said that the top line was primarily drive by *Dupixent*, *Altuviiro* and *Beyfortus*.

- ♦ U.S. President *Donald Trump* has signed an executive order to lower prescription drug prices. The order directs the Department of Health and Human Services to take steps to significantly reduce drug prices for American patients. The executive order seeks to lower drug prices by (1) improving the Medicare Drug Pricing Negotiation Program, (2) aligning Medicare payment for certain prescription drugs with the cost of which hospitals actually acquire them (a potential savings of 35%), (3) standardizing Medicare payments for prescription drugs such as cancer treatment—regardless of where the patient receives care, and (4) provide massive discounts for low-income patients for lifesaving medications.

- ♦ **Eli Lilly** met its goal of achieving semaglutide-like efficacy with an oral GLP-1 drug. The phase 3 study linked the oral GLP-1 drug *orforglipron* to similar reductions in blood glucose and body weight to Novo Nordisk's injectable GLP-1 blockbuster *Ozempic*, although figures are down on Lilly's midphase data. The study randomized people with Type 2 diabetes one of three doses of *orforglipron* or placebo. After 40 weeks of once-daily dosing, A1C fell 1.4% to 1.6%.

(Sources: Drug Store News, FiercePharma, PharmaVoice and Script Citeline)