

Romanian Pharma Market Forecast 2023-2026 - excerpt

Contents

| | |
|--|----|
| Market Summary..... | 2 |
| Key positive forecast drivers: | 2 |
| Key negative forecast drivers:..... | 3 |
| 1. Methodology | 4 |
| 2. Macroeconomic perspective..... | 4 |
| a. Exchange Rates | 4 |
| b. Gross Domestic Product..... | 5 |
| c. Consumer Price Index (Inflation) | 5 |
| d. Pharmaceutical policy..... | 6 |
| e. Healthcare and medicines financing..... | 6 |
| 3. Market Trends | 10 |
| a. Volume | 10 |
| i. Days of treatment - DOTs..... | 10 |
| ii. Units..... | 11 |
| b. Value (Pharmacy Purchasing Price - PPP) | 12 |
| i. RON..... | 12 |
| ii. EUR | 12 |
| iii. US\$..... | 13 |
| 4. Recommendations | 13 |

Market Summary

This forecast is an estimation of drugs that will be dispensed to patients, from both retail and hospital pharmacies (sell-out), for the 2023-2026 period.

We have selected 5 topics for which we share our knowledge and thoughts:

- forecast methodology
- short-term market trends in DOT (days of treatment), units, and values (RON, Eur and US\$)
- therapeutic outlook at the ATC1 level
- medium-term forecast 2023-2026
- recommendations

Although the cost-volume and cost-volume-result programs are a major driver of the overall market growth, they are heavily influenced by the policies of the health authorities and therefore they are atypical for the rest of the market's organic evolution. In consequence, their evolution cannot be forecasted by statistical models and therefore they are not included in this market forecast. Moreover, only a few pharma companies are competing in these specific segments while the vast majority are playing in the "regular" market. We considered that an objective growth target for such a majority should not include these segments, since they could significantly distort the market.

So far, the forecast for OTC - non-prescription bound medicines and nutritional supplements didn't consider the online channel development which is expected to grow significantly in mid and long term, due to diversity of the offer, the convenience of online purchase, significant price reductions and significant resources directed to the promotion of this channel by pharmaceutical manufacturers.

For 2024, we recommended considering a market growth percentage of about 7.4% in DOTs, 4.9% in units, and 14.8% in RON, as the market volatility remains high in the actual economic environment.

Sales are reported at the pharmacy purchase price level (PPP). Growth rates in hard currencies can be further adjusted, based on information sources and each company's business practice.

Between 2024 and 2026, the total pharmaceutical market is expected to grow at a compound annual growth rate (CAGR) of 12.2% in local currency terms, based on a volume CAGR of 3.5% and a DOT CAGR of 5.7%.

Key positive forecast drivers:

- **Disrupted or delayed diagnoses as lasting, post-pandemic effects:** disruption of typical health care-seeking behaviors has led to an increase in undiagnosed cases or more severe diseases when diagnosed, especially cancer, obesity, type 1 and 2 diabetes, heart disease etc.
- **Changes in the market structure at the product mix level:**
 - the moderate increase in volume and DOT was accompanied by a significant increase in the average price per unit, driven largely by a change in product mix, as cheaper products were gradually withdrawn from the market and were replaced by more expensive substitutes
- **Broader reimbursement coverage:** the financing for acute and chronic, often lower-cost generic treatments, as well as for the novel, high-cost specialty treatments (National Health Programs) increased in 2022 vs 2021 by 6.5% and is expected to increase in 2024

- **Retail OTC&FS will continue its “over-push” strategy benefiting from:**
 - a favorable regulatory framework and an increasing self-medication and self-care trend
 - an increase in OTC&FS prices due to high inflation and rising energy costs as a result of the ongoing Russia-Ukraine conflict
 - the consolidation of online sales channel favored by restricted mobility during the pandemic, price policy, and convenience in the post-pandemic period
 - enhanced advertising resources directed into this channel by pharma manufacturers and retailers (online and offline)
 - the expansion of the private health market as the economy and the disposable income of some population segments have grown in the past few years, as an alternative to the dysfunctionalities of the public system

Key negative forecast drivers:

- **Potential impact of economic factors on healthcare budgeting** - the actual economic crisis could lead the healthcare authorities to adopt stricter cost containment measures on drugs, in the years to come. It is expected that the pricing and value of medicines will be under increased scrutiny during this period.
- **Many patients have remained less engaged with healthcare**, likely resulting in continuing numbers of disrupted or delayed diagnoses and treatments. (e.g. the hospital market is still affected as the no. of patients in 2023 (3.62 mn) is below the 2019 level (4.15 mn)¹
- **Parallel export of drugs**, is still attractive in Romania due to the lowest prices within the reference EU countries basket
- **Population decline** due to emigration and a negative natural population growth rate
- **Globally, the cost of living crisis** has significant implications for healthcare, as household budgets are tightened
- **Medium term:** still turbulence in the regional market – with the ongoing effect of conflict between Russia and Ukraine, points to uncertainty in future and market players caution in making medium and long-term development commitments

¹ https://www.drg.ro/index.php?p=indicatori&s=2019_an

1. Methodology

Cegedim market prognosis projections are based on 199 monthly sales data sets expressed in DOTs, units, and values. Pharmaceutical data (units and sales) in each audited market sector and therapeutic segments were independently analyzed, using time series models.

Input data were extracted from Pharma & Hospital Report, a reference study for the pharmaceutical market research, performed in Romania since 1996. Based on a panel extrapolation methodology and locally certified and validated experience in the last 25 years, PHARMA & HOSPITAL REPORT provides the real image of medicines dispensed to patients through retail and hospital pharmacies, unaffected by stock level or by other trade phenomena in the supply chain.

In 2023, the forecast project has been redesigned to provide a more specific perspective of distinctive market categories. Therefore, the evolutions of the RD and Gx segments within the retail Rx medicines are to be addressed separately. Also, in some therapeutic groups (A, M, N, and R), the share of OTC&FS products is significant, therefore the Rx and OTC tendencies are to be approached differently.

The best forecast model is selected among 8 estimation methods and 255 possible combinations, based on forecasting accuracy, modeling fit, and robustness. Two test zones (the previous two years before COVID-19 and the last two years) were used to validate the results of more than 45k predicted models.

DISCLAIMER: This market performance assumes a relatively constant regulatory framework. If significant changes in pricing, reimbursement, taxation, and financing will occur, the market performance will change accordingly.

2. Macroeconomic perspective

a. Exchange Rates

The Romanian pharmaceutical market is sensitive to hard currency evolutions because imported products dominate the market both in value and in volume.

In the last 5 years, the local currency has steadily decreased relative to foreign currencies like EUR and US\$.

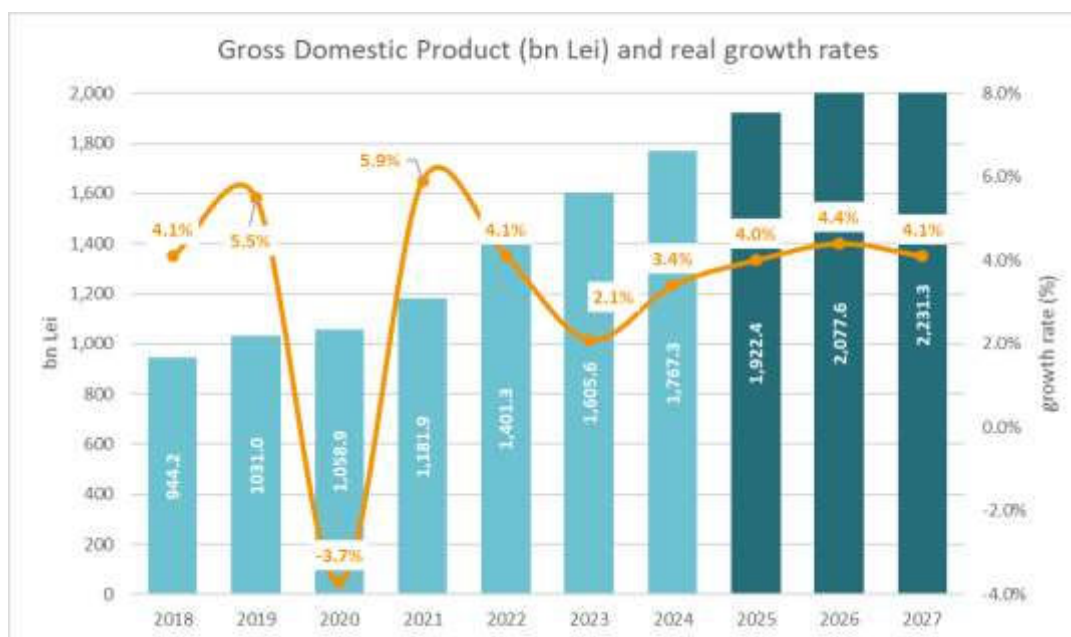
| Year | Status | EUR | US\$ | EUR/US\$ |
|------|-----------------------|--------|--------|----------|
| 2019 | Real | 4.7452 | 4.2379 | 1.12 |
| 2020 | Real | 4.8371 | 4.2440 | 1.14 |
| 2021 | Real | 4.9204 | 4.1604 | 1.18 |
| 2022 | Real | 4.9315 | 4.6885 | 1.05 |
| 2023 | Real | 4.9465 | 4.5743 | 1.08 |
| 2024 | Forecast ² | 5.00 | 4.63 | 1.08 |
| 2025 | Forecast | 5.06 | 4.68 | 1.08 |
| 2026 | Forecast | 5.12 | 4.74 | 1.08 |

The currency is expected to depreciate from 5.00 RON to 5.12 RON against the euro in 2024 and 2026, respectively.

² <https://cnp.ro/prognoze-macroeconomice/>

b. Gross Domestic Product

Following a strong recovery between 2021 and 2023, the real GDP³ growth in Romania is expected to moderate to 3.4% in 2024 and to increase and stabilize around 4.0-4.5% average growth per year between 2025 and 2027 as the inflationary pressures ease.



c. Consumer Price Index (Inflation)

It is estimated that the inflationary pressure in Romania will decrease to 5.6% in 2024. Average inflation is expected to be between 4-2.6% per annum over the period 2024-2027. ⁴

According to the Report on inflation, published by the BNR in February 2024, "the subsequent decrease in the inflation rate will continue to have as major sources factors on the supply side - primarily disinflationary basic effects and downward corrections of the quotations of agro-food raw materials and crude oil quotations - as well as the downward dynamics of import prices."⁵

³ National Forecast Committee, Spring forecast 2024

⁴ Idem

⁵ <https://www.bnro.ro/Raport-asupra-infla%C8%9Biei-27498-Mobile.aspx>



d. Pharmaceutical policy

Pharmaceutical policy in Romania has sought to contain the irrational use of medicines, support the greater use of generics, and control prices.

While price control has ensured that Romania is among the countries with the lowest pharmaceutical prices in the EU (min. price from 12 EU countries), this has encouraged parallel trade exports and market exits that have compromised sustainability. The Association of Generic Medicines Manufacturers in Romania (APMGR) estimates that this minimum price policy has led to the withdrawal of thousands of generic medicines in recent years. Legislation on biosimilar inclusion in the therapeutic protocols had a positive impact on the prescribing of biosimilars, still limited.

To improve access to vaccination services, a new pilot program for influenza vaccination in retail pharmacies has been rolled out in 2023. This will expand the role of pharmacies in healthcare provision by offering more advanced services like chronic disease monitoring, patient counseling, other vaccinations etc., thus alleviating the burden on GPs and hospitals.

In terms of taxation, the pharmaceutical industry co-finances the public system by clawback tax, differentiated by product type (RD – 25% vs Gx and RO Gx – 15%). This tax continues to impose a significant burden on the industry, raising concerns that its calculation is based on the consumer pharmacy price rather than the ex-manufacturer price.

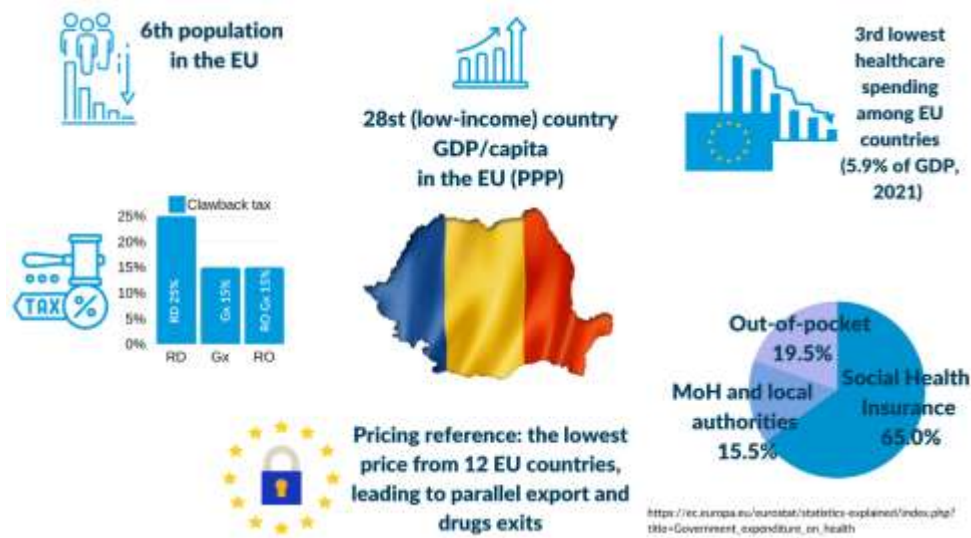
e. Healthcare and medicines financing

Romania ranks 6th within the EU in terms of population (19.0 mn⁶) and is an upper-middle-income country (the 28th largest GDP/capita in the EU (PPP – purchasing power parity⁷)). However, Romania remains one of the countries with the lowest percentage of GDP allocated to healthcare, 5.9%⁸, well below the 10.9% GDP average in European Union (EU) countries, in 2022.

⁶ OECD-State of Health in the EU, Romania Country Health Profile 2023

⁷ https://ec.europa.eu/eurostat/databrowser/view/sdg_08_10/default/table?lang=en

⁸ <https://www.statista.com/forecasts/1141639/health-expenditure-gdp-share-forecast-in-romania>



The Romanian healthcare system is mainly public financed (80.5%) through the following sources:

- National Single Fund for Social Health Insurance (65.0%) - FNUASS
- Ministry of Health and local authorities' budgets (15.5%)
- private sources (voluntary health insurance and out-of-pocket payments) (19.5%). Out-of-pocket payments are dominated by pharmaceutical spending (11.3%)⁹

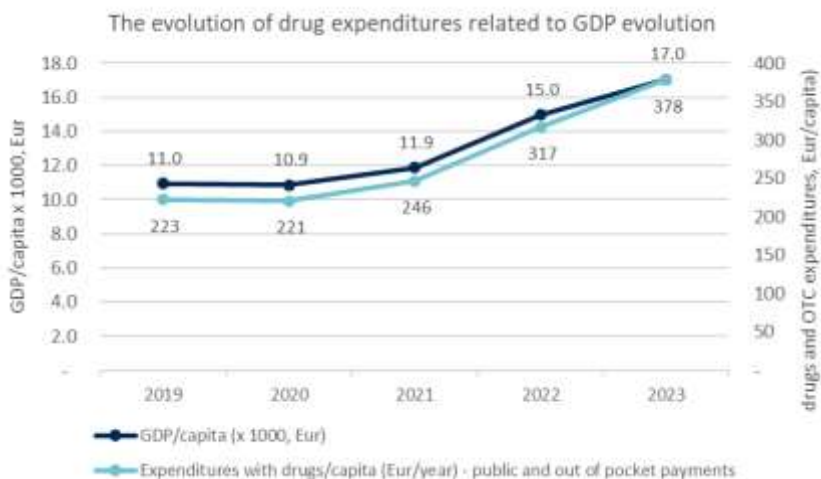
In a favorable macroeconomic context, drug spending (publicly funded or out-of-pocket) increased in the past 5 years. Both prescription-bound medicines and OTC drugs, including food supplements recovered after the pandemic and increased consistently after 2020.

Nevertheless, low healthcare financing continues to be a major barrier to the growth of the Romanian pharma market. In this context, the receipts at the FNUASS increased in the first quarter of 2024, through an increase in the social health insurance contributions of certain categories, previous exemptions from the payment of the tax and through the taxation of other categories of income.

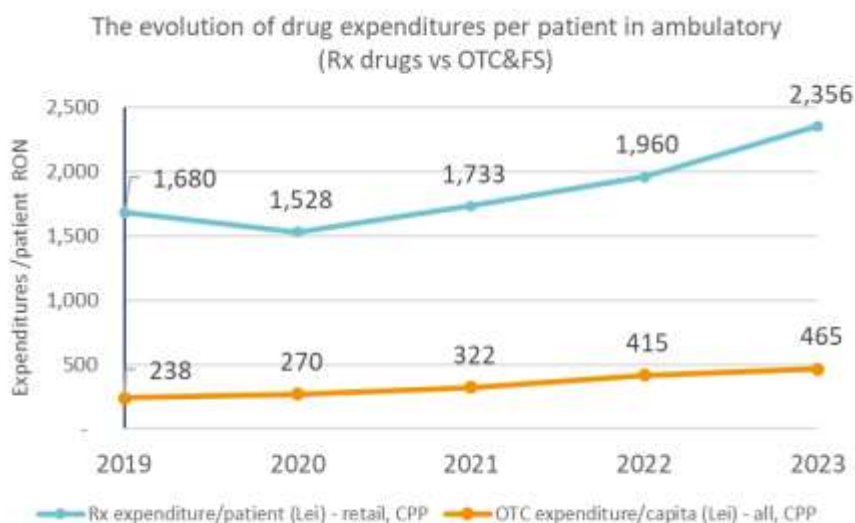
Drug expenditures per capita increased by 11% CAGR between 2019 and 2023, faster than the GDP/capita increase (7% CAGR)¹⁰.

⁹ OECD Healthcare profile in Romania, 2021

¹⁰ Cegedim Pharma and Hospital Report and INSEE reports



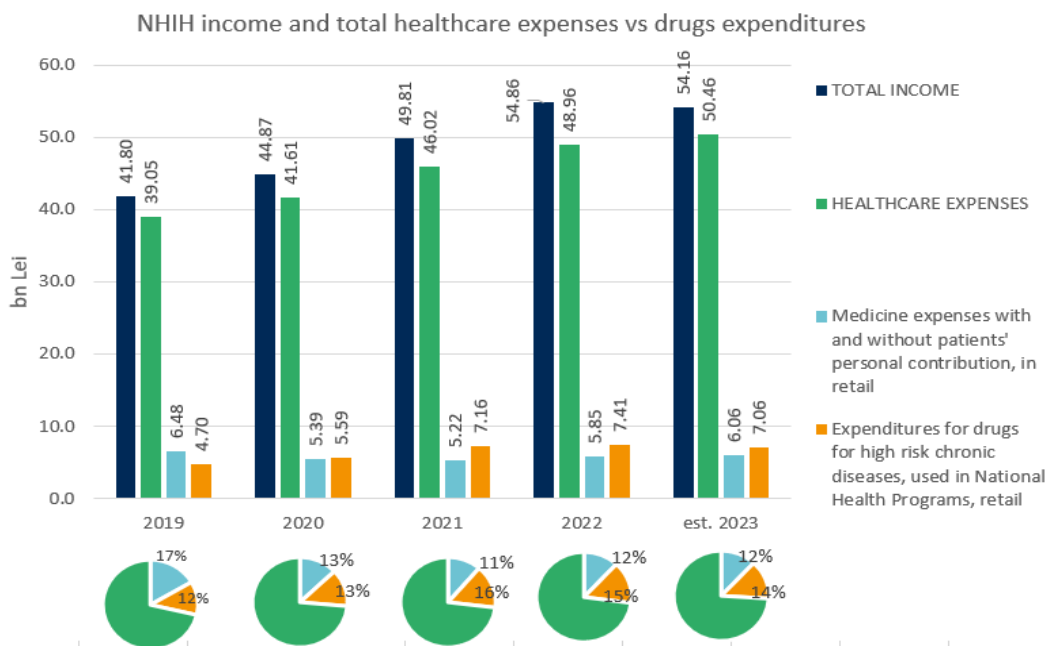
Per category, the amount spent with Rx medicines per patient increased by 9% CAGR between 2019 and 2023, while the OTC spending increased by 15%, in the same interval¹¹. CV and CVR medicines haven't been considered.



Medicines expenses represent 26-29% of the total healthcare expenditure, in ambulatory, of which 11-17% for medicines related to chronic and acute pathologies that affect the majority of the population (medicines listed on the reimbursement lists A, B, C1, C3, D) and the rest for national health programs (reimbursement list C2). Although NHIH income and expenditures constantly increased since 2019, the expenses for reimbursed medicines for chronic and acute diseases with or without patients' co-payments increased marginally from 5.4 bn Lei in 2020 to 6.1 bn Lei in 2023¹². Medicines for high-risk illnesses, in national health programs decreased in 2023 vs 2022, but their addressability is much more limited.

¹¹ Cegedim, Pharma and Hospital Report and NHIH reports

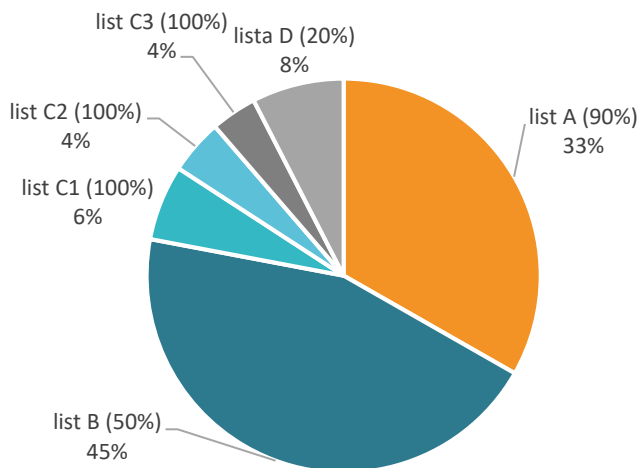
¹² NHIH budget for 2023



Reimbursed medicines represent 76% of the total number of pharmaceutical products listed in MEDEX¹³- a list of Rx medicines that insured persons benefit from in ambulatory, in the health insurance system.

According to Cegedim Rx Dispenser¹⁴, the prescriptions containing medicines listed on lists A (90% reimbursement) and B (50% reimbursement) hold nearly 80% of the total number of prescriptions.

Split of prescriptions by reimbursement list - 2023



¹³ MEDEX, December 2023 edition

¹⁴ Cegedim RxDispenser provide prescription data, cumulated from 45% of retail pharmacies in Romania

Medicines listed on lists A, B, C3, and D are cheaper medicines, therefore for a patient who received medication from list A (90% reimbursement), less than 100 lei was paid in 2022, and for a patient who received medication from list B (50% reimbursement), less than 150 lei was paid. For social categories such as pupils, students, pregnant women, disabled people etc. (list C3, 100% reimbursement) it was paid under 250 lei/patient. In the C1 category (therapeutic protocols, 100% reimbursement) an average value of less than 2,000 lei was paid per patient and 2 times more for patients included in the national health programs (list C2, 100% reimbursement).



3. Market Trends

The short-term forecast, based on the latest data available (data source: **Pharma & Hospital Report**, April 2024), using the time series estimates, shows the following trends:

a. Volume

i. Days of treatment - DOTs

The analysis of trends in treatment days gives the most relevant information regarding the population's access to treatments, not being affected by package size or price fluctuations.

In 2024, the total market will have moderate growth in days of treatment (+7.4%), higher than the revised values for 2023 (+6.0%). The retail market, generating more than 95% of total market DOTs will drive the total market growth. By segments, Retail Rx (80% of the retail channel) will advance moderately by +6.3%, similar to 2023 (6.0%). Patent-protected drugs (RD) grew more than generics (Gx) in 2023, but the trend will reverse in 2024 at similar rates. The OTC&FS will register a +11.1% growth rate in 2024, as a compound effect of intensive consumer advertising, the rise of the online channel, and the population's concern for preserving health. The hospital channel will grow by 12.5% in 2024 after a moderate growth rate in 2023, (5.0%).

mn DOTs

| Year | Total Market | Retail Market | Retail Rx | Retail RD | Retail Gx | Retail OTC & FS | Hospital Market |
|------|--------------|---------------|-----------|-----------|-----------|-----------------|-----------------|
| 2020 | 9,183.0 | 9,050.3 | 7,158.5 | 3,309.8 | 3,848.7 | 1,891.8 | 132.7 |
| 2021 | 9,774.8 | 9,622.1 | 7,588.3 | 3,598.4 | 3,989.9 | 2,033.9 | 152.7 |
| 2022 | 10,075.8 | 9,911.0 | 7,939.3 | 3,798.6 | 4,140.7 | 1,971.7 | 164.8 |
| 2023 | 10,677.6 | 10,504.7 | 8,417.3 | 4,041.6 | 4,375.7 | 2,087.3 | 173.0 |
| 2024 | 11,465.1 | 11,270.5 | 8,950.9 | 4,285.4 | 4,665.5 | 2,319.6 | 194.6 |

Growth (%)

| Year | Total Market | Retail Market | Retail Rx | Retail RD | Retail Gx | Retail OTC | Hospital Market |
|------|--------------|---------------|-----------|-----------|-----------|------------|-----------------|
| 2020 | ↔ 6.9% | ↔ 7.4% | → 0.2% | → 2.8% | → -1.9% | ↗ 47.5% | ↘ -18.3% |
| 2021 | ↔ 6.4% | ↔ 6.3% | ↔ 6.0% | ↔ 8.7% | ↔ 3.7% | ↗ 7.5% | ↗ 15.0% |
| 2022 | ↔ 3.1% | ↔ 3.0% | ↔ 4.6% | ↔ 5.6% | ↔ 3.8% | ↘ -3.1% | ↔ 7.9% |
| 2023 | ↔ 6.0% | ↔ 6.0% | ↔ 6.0% | ↔ 6.4% | ↔ 5.7% | ↔ 5.9% | ↔ 5.0% |
| 2024 | ↔ 7.4% | ↔ 7.3% | ↔ 6.3% | ↔ 6.0% | ↔ 6.6% | ↗ 11.1% | ↗ 12.5% |

ii. Units

In 2023, the market advanced slowly in volume, by just +2.3%. The retail channel (95% of total market volume), which determines the evolution of the whole market increased by just 2.1% in 2023 but it is expected double its growth rate to 4.6% in 2024. Retail Rx products (60% of retail channel) showed a moderate growth rate (4.7%), in 2023 and will increase by 5.8% in 2024. Patent-protected medicines (RD) and generics (Gx) will display a similar evolution.

After sustained growth rates since the pandemic, OTC&FS declined by 1.7% in 2023 and added only 2.8% to their previous volume in 2024.

Finally, the hospital channel has reached the pre-pandemic levels and will advance by 13.4% next year.

mn units

| Year | Total Market | Retail Market | Retail Rx | Retail RD | Retail Gx | Retail OTC & FS | Hospital Market |
|------|--------------|---------------|-----------|-----------|-----------|-----------------|-----------------|
| 2020 | 625.3 | 601.5 | 361.7 | 152.5 | 209.2 | 239.7 | 23.8 |
| 2021 | 656.6 | 630.7 | 379.5 | 165.1 | 214.4 | 251.3 | 25.8 |
| 2022 | 702.6 | 675.0 | 400.8 | 175.0 | 225.8 | 274.2 | 27.6 |
| 2023 | 718.7 | 689.2 | 419.8 | 184.1 | 235.7 | 269.4 | 29.5 |
| 2024 | 754.2 | 720.7 | 443.9 | 194.4 | 249.5 | 276.8 | 33.5 |

Growth (%)

| Year | Total Market | Retail Market | Retail Rx | Retail RD | Retail Gx | Retail OTC & FS | Hospital Market |
|------|--------------|---------------|-----------|-----------|-----------|-----------------|-----------------|
| 2020 | → 0.0% | → 1.1% | ↘ -3.9% | → -1.1% | ↘ -5.8% | ↔ 9.6% | ↘ -21.2% |
| 2021 | ↔ 5.0% | ↔ 4.9% | ↔ 4.9% | ↔ 8.2% | → 2.5% | ↔ 4.8% | ↔ 8.5% |
| 2022 | ↔ 7.0% | ↔ 7.0% | ↔ 5.6% | ↔ 6.0% | ↔ 5.3% | ↔ 9.1% | ↔ 6.9% |
| 2023 | → 2.3% | → 2.1% | ↔ 4.7% | ↔ 5.2% | ↔ 4.4% | → -1.7% | ↔ 6.9% |
| 2024 | ↔ 4.9% | ↔ 4.6% | ↔ 5.8% | ↔ 5.6% | ↔ 5.9% | → 2.8% | ↗ 13.4% |

b. Value (Pharmacy Purchasing Price - PPP)

i. RON

The market advanced by +15.6% in local currency (RON), in 2023 and is expected to be +14.8% higher in 2024, on an ascending tendency induced by the average price rising. This price increase for Rx drugs was driven largely by a change in product mix, as cheaper products were withdrawn from the market in the previous years and were replaced by more expensive substitutes. Also, newly launched molecules for innovative therapies in oncology, diabetes, and other diseases correspond to much more expensive drugs.

By segments, in 2023 we had a 21.7% growth in retail Rx, coming from both RD and Gx medicines. Retail OTC advanced by +10.6% in 2023. This year growth rates will be lower, coming from retail Rx drugs, still in a 12%-15% range. The hospital channel will return to a significant 13.5% growth rate, in 2024.

bn Lei

| Year | Total Market | Retail Market | Retail Rx | Retail RD | Retail Gx | Retail OTC & FS | Hospital Market |
|------|--------------|---------------|-----------|-----------|-----------|-----------------|-----------------|
| 2020 | 16.7 | 14.6 | 10.0 | 7.1 | 2.9 | 4.6 | 2.1 |
| 2021 | 19.0 | 16.5 | 11.0 | 7.7 | 3.3 | 5.5 | 2.5 |
| 2022 | 22.4 | 19.4 | 12.6 | 8.7 | 3.9 | 6.8 | 3.1 |
| 2023 | 26.0 | 22.8 | 15.3 | 10.7 | 4.7 | 7.5 | 3.1 |
| 2024 | 29.8 | 26.2 | 17.3 | 12.0 | 5.4 | 8.9 | 3.5 |

Growth (%)

| Year | Total Market | Retail Market | Retail Rx | Retail RD | Retail Gx | Retail OTC & FS | Hospital Market |
|------|--------------|---------------|-----------|-----------|-----------|-----------------|-----------------|
| 2020 | ↔ 6.5% | ↔ 6.9% | ↔ 4.0% | ↔ 4.5% | → 2.8% | ↑ 13.8% | ↔ 3.8% |
| 2021 | ↑ 14.1% | ↑ 13.2% | ↑ 10.3% | ↔ 8.4% | ↑ 15.0% | ↑ 19.4% | ↑ 20.7% |
| 2022 | ↑ 18.1% | ↑ 17.4% | ↑ 14.7% | ↑ 14.0% | ↑ 16.2% | ↑ 22.9% | ↑ 22.3% |
| 2023 | ↑ 15.6% | ↑ 17.8% | ↑ 21.7% | ↑ 22.4% | ↑ 20.1% | ↑ 10.6% | → 1.8% |
| 2024 | ↑ 14.8% | ↑ 14.9% | ↑ 13.0% | ↑ 12.1% | ↑ 15.2% | ↑ 18.9% | ↑ 13.5% |

ii. EUR

A similar growth is expected in EUR and US\$ growth, based on expected exchange rates. As mentioned before, growth rates in hard currencies can be further adjusted, based on information sources and each company's business practice.

mn Eur

| Year | Total Market | Retail Market | Retail Rx | Retail RD | Retail Gx | Retail OTC & FS | Hospital Market |
|------|--------------|---------------|-----------|-----------|-----------|-----------------|-----------------|
| 2020 | 3,443.5 | 3,014.1 | 2,059.6 | 1,459.2 | 600.4 | 954.5 | 429.4 |
| 2021 | 3,863.5 | 3,354.0 | 2,234.0 | 1,555.1 | 678.9 | 1,120.1 | 509.5 |
| 2022 | 4,551.6 | 3,929.8 | 2,556.1 | 1,768.8 | 787.3 | 1,373.7 | 621.9 |
| 2023 | 5,247.7 | 4,616.5 | 3,101.1 | 2,158.6 | 942.5 | 1,515.4 | 631.1 |
| 2024 | 5,964.4 | 5,254.9 | 3,470.9 | 2,395.7 | 1,075.2 | 1,784.0 | 709.5 |

Growth (%)

| Year | Total Market | Retail Market | Retail Rx | Retail RD | Retail Gx | Retail OTC & FS | Hospital Market |
|------|--------------|---------------|-----------|-----------|-----------|-----------------|-----------------|
| 2020 | ↔ 4.5% | ↔ 4.9% | → 2.0% | → 2.5% | → 0.9% | ↑ 11.6% | → 1.8% |
| 2021 | ↑ 12.2% | ↑ 11.3% | ↔ 8.5% | ↔ 6.6% | ↑ 13.1% | ↑ 17.4% | ↑ 18.7% |
| 2022 | ↑ 17.8% | ↑ 17.2% | ↑ 14.4% | ↑ 13.7% | ↑ 16.0% | ↑ 22.6% | ↑ 22.1% |
| 2023 | ↑ 15.3% | ↑ 17.5% | ↑ 21.3% | ↑ 22.0% | ↑ 19.7% | ↑ 10.3% | → 1.5% |
| 2024 | ↑ 13.7% | ↑ 13.8% | ↑ 11.9% | ↑ 11.0% | ↑ 14.1% | ↑ 17.7% | ↑ 12.4% |

iii. US\$

| Year | Total Market | Retail Market | Retail Rx | Retail RD | Retail Gx | Retail OTC & FS | Hospital Market |
|------|--------------|---------------|-----------|-----------|-----------|-----------------|-----------------|
| 2020 | 3,924.7 | 3,435.3 | 2,347.4 | 1,663.1 | 684.3 | 1,087.9 | 489.4 |
| 2021 | 4,569.3 | 3,966.7 | 2,642.0 | 1,839.1 | 802.9 | 1,324.7 | 602.6 |
| 2022 | 4,786.1 | 4,132.2 | 2,687.7 | 1,859.9 | 827.8 | 1,444.5 | 653.9 |
| 2023 | 5,679.9 | 4,996.8 | 3,356.5 | 2,336.4 | 1,020.1 | 1,640.3 | 683.1 |
| 2024 | 6,434.6 | 5,669.1 | 3,744.5 | 2,584.6 | 1,159.9 | 1,924.7 | 765.4 |

mn US\$

| Year | Total Market | Retail Market | Retail Rx | Retail RD | Retail Gx | Retail OTC & FS | Hospital Market |
|------|--------------|---------------|-----------|-----------|-----------|-----------------|-----------------|
| 2020 | ↔ 6.3% | ↔ 6.7% | ↔ 3.8% | ↔ 4.3% | → 2.7% | ↑ 13.6% | ↔ 3.6% |
| 2021 | ↑ 16.4% | ↑ 15.5% | ↑ 12.5% | ↑ 10.6% | ↑ 17.3% | ↑ 21.8% | ↑ 23.1% |
| 2022 | ↔ 4.7% | ↔ 4.2% | → 1.7% | → 1.1% | ↔ 3.1% | ↔ 9.0% | ↔ 8.5% |
| 2023 | ↑ 18.7% | ↑ 20.9% | ↑ 24.9% | ↑ 25.6% | ↑ 23.2% | ↑ 13.6% | ↔ 4.5% |
| 2024 | ↑ 13.3% | ↑ 13.5% | ↑ 11.6% | ↑ 10.6% | ↑ 13.7% | ↑ 17.3% | ↑ 12.0% |

Growth (%)

4. Recommendations

For 2024, we estimate that the market will grow by 7.4% in DOTs, by 4.9% in units, and by 14.8% in RON. We recommend considering a market growth percentage of about 14.8% in local currency as a working scenario for 2024, as the market volatility remains high in the actual economic crisis environment. The total pharmaceutical market is expected to grow at a compound annual growth rate of 12.2% in local currency terms, between 2024-2026. Growth rates in hard currencies can be further adjusted, based on information sources and each company's business practice.

In volume, we estimate that the market will continue to grow by 3.5% in the medium term (2024-2026).

As for the DOTs evolution, we estimate that the market will continue to grow by 5.7% between 2024 and 2026.

As the scope of this forecasting is the local patient consumption, it does not include the parallel trade. Parallel export will continue to evolve as long as the Rx pricing policy remains attractive.

The ceiling of NHIH (CNAS) funds allocated to reimbursed medicines with and without personal contribution (lists A, B, C1, C3, and D) deteriorates local market attractiveness. At the same time, additional funding for national health programs in oncology, diabetes, and others makes these segments increasingly attractive for qualified pharma companies.

The OTC segment, benefiting from a favorable regulatory framework, an increasing self-medication and self-care trend, and intensive multichannel advertising (TV, radio, print, online) but otherwise impacted by the population's lower disposable income and will continue to grow at a higher pace than Rx drugs. In the medium and long term, we could witness the consolidation of the online sales channel favored by its specific advantages and intensive promotion on all media channels.

The 3-year CAGR, used for mid-term planning is high (approximately 15%), and the Romanian pharmaceutical market is still in its emerging phase.

Final notice: Informed sources from the public sphere estimate that in the near future we will witness the adoption of fiscal measures to correct the budget deficit and other macro-economic imbalances, which will have effects on the economy and the healthcare system in Romania. All this imposes a high level of unpredictability on the evolution of the pharmaceutical market in the forecast period. Specifically, the potential impact on pharmaceutical consumption is complex and difficult to predict. These aspects should be considered when considering the assumptions regarding the market outlook, together with the possibility that the situation may change very rapidly.

IMPORTANT DISCLAIMER

All figures in this material represent estimated parameters for drugs delivered to local patients. Any confusion with the total pharmaceutical trade, payment flows, etc. should be avoided.

The information contained in this material is confidential and provided acc. to Cegedim Customer Information standard terms and conditions. This information is provided to the client on a personal basis under a non-exclusive and non-transferable license for the client's direct benefit and use only, and may not be copied or divulged to any other party. Whilst every possible care has been taken in the preparation of this information, the publishers do not hold themselves responsible for any expressions of opinion or error or omission, or any action resulting from here.

Copyright © Cegedim Customer Information, 2023

Published November 2023

Updated June 2024