

## Strict rules on pharma marketing

ENFORCEMENT in the pharmaceutical industry is on the rise in Sweden. A chief prosecutor responsible for fraud cases has recently been investigating alleged corruption in the industry. The investigation has resulted in at least two cases being pursued. The tougher approach from the regulatory side follows new agreements that have been reached, between the pharmaceutical industry and the organisations representing local governments, doctors and the national drug purchasing authority, on the various forms of cooperation between pharmaceutical companies and public-sector medical professionals.

January 2005 marked new agreements between the Swedish Association of the Pharmaceutical Industry and the Swedish Federation of County Councils on the various types of cooperation between pharmaceutical companies and medical professionals in the public healthcare sector. Similar agreements have been signed between the same industry association and the Swedish Medical Association and with the government body Apoteket.

With these agreements, drug companies' ability to offer lavish marketing events and conferences to professionals has been severely limited. Restrictions include a cap on the level of reimbursement of travel expenses and costs for accommodation and food at 50 per cent; a requirement for invitations to scientific conferences to be sent to hospital management only, who then will decide which healthcare professionals may attend; a ban on offering social activities in connection with conferences; and a ban on sponsorship of events organised by healthcare professionals themselves, such as hospital staff parties.

The agreements stem from controversy that erupted in Sweden in 2002 regarding pharmaceutical companies' payments to send doctors to conferences with minimal scientific content, at luxurious locations. The new agreements aim to ensure that

activities involving pharma and the healthcare sector are conducted in a responsible and relevant manner.

The agreements are legally binding and are supervised by the Swedish industry association's marketing practices committee, which can issue decisions and levy fines of up to about SEK 250,000 (\$36,728, £19,092, €27,451) when it deems them necessary. However, it should be noted that the Swedish county councils have considerable autonomy in healthcare. And even though all county councils are members of the Swedish Federation of County Councils, which has itself signed the agreement, every county must also agree separately with the terms of the agreement. Some county councils have not yet done this; others have taken the radical step of closing down their contacts and cooperation with the industry.

Furthermore, recent enforcement actions make it clear that Swedish authorities hold strict views of pharmaceutical industry marketing practices. Just this month a major Swedish newspaper reported that a chief prosecutor who has been investigating corruption in the pharmaceutical industry has chosen several cases for enforcement action from among ones that already have received negative findings from the Swedish industry association's marketing practices committee. In one case, he is reportedly considering bringing a charge against a major company for sending approximately 30 doctors and nurses to a conference, paid for by the company, in Prague.

Sweden's tougher stance on information and promotion activities could be seen as part of a new trend affecting the pharmaceutical industry's marketing practices in Europe. Both Germany and Norway have taken similar measures recently. ■

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## Singapore faces tough competition in Asia

SINGAPORE'S OUTPUT of medical products is unlikely to increase this year in the face of tough competition from Asian competitors, according to Philip Yeo, chairman of the Agency for Science, Technology and Research and co-chairman of the Economic Development Board's biomedical sciences group. However, he said the government's long-term target remained; to increase output of pharmaceuticals and medical devices to S\$25 billion (\$15 billion, £8 billion, €12 billion) by 2015. Beh Swan Gin, director of biomedical sciences for the development board, said Singapore's pharmaceutical manufacturers, mainly branches of Western multinationals, are also facing competition from generic drug companies in China, India and South Korea. International companies with manufacturing operations in Singapore include Pfizer, GlaxoSmithKline and Merck & Co.

## Reps caught in the middle

THE NUMBER OF DOCTORS who see a pharmaceutical sales representative weekly has declined by over 30 per cent over the past three years according to Doctors.net.uk. This trend could continue if pharma companies fail to recognise true doctor needs and the role reps should be playing in creating strong relationships with doctors. The survey found that doctors wanted to receive unbiased comparison information to support them in making the right clinical decisions, not just a sales pitch. Doctors.net.uk believes this highlights a true misunderstanding between senior pharma management and doctors, with sales reps caught between the two.

Pharma firms must now evaluate new channels to market in order to utilise its existing sales force more effectively.