STUDY OF
OVER THE COUNTER
PHARMACEUTICALS
Having experienced year on year growth since 2012, the value of over the counter (OTC) medicinal products sales hit £2.74 billion at year ending February 2015 in Great Britain. Accounting for over 40% of the total UK household spending on pharmaceutical products, and showing no sign of slowing in growth in either size or importance, Lisa Pascoe, Regulatory Affairs Project Manager at TRAC, reviews this key sector and what it means for the UK pharma industry.
WHAT ARE OTC PRODUCTS?
Pharmaceutical products are classified into three legal categories in the UK:

1) **POM** - pharmaceutical products that you can only obtain with a prescription issued by a GP or qualified healthcare professional, known as prescription only medicines (POM). E.g. antibiotics and inhalers to treat asthma.

2) **PO** - pharmaceutical products that are purchased from behind the counter of pharmacy without a prescription but under the supervision of a trained pharmacist, known as pharmacy only (PO) medicines. E.g. antibiotic eye drops to treat an eye infection.

3) **GSL** - pharmaceutical products that are on the general sales list (GSL) can be purchased from a wide range of retail outlets without the need for GP or pharmacist assistance. E.g. mild to moderate pain relief and common cold medicines.

The OTC sector consists of both PO and GSL products; branded and generic. In the past OTC pharmaceuticals could only be purchased from pharmacies. However, over recent years, legislation changes resulting in the introduction of the GSL classification has meant that a number of products can be bought from non-specialist shops, such as supermarkets and petrol stations. This has led to an increase in OTC product distribution and access - and consequently sales.

**OTC medicinal products cover a wider range of therapeutics uses with the major ones consisting of:**
- analgesics (pain relief) including tablets, liquids and gels
- skincare treatments e.g. antiseptic creams and dry skin lotions
- cough, cold and sore-throat remedies e.g. decongestant hot drinks and cough liquids
- gastro-intestinal remedies e.g. laxatives and indigestion remedies

Other key OTC products include hay fever treatments, eye care treatments, sleeping aids and smoking cessation & reduction products e.g. nicotine patches and lozenges.

The overall NHS year’s expenditure on medicines in 2013-14 was £14.4 billion and in the comparable timeframe £2.6 billion was spent by the general public on OTC medicines; figures which demonstrate that the OTC sector is certainly not an insignificant portion of the wider UK Pharma landscape.
**OTC GROWTH**

OTC medicine sales in the UK has shown strong and consistent growth over the last 3 years with total yearly spend growing from £2.43 billion in 2012 to £2.74 billion in 2015 (years ending February). An increase of 9.2% over this period.

Analgesics make up the largest portion of OTC sales; over a fifth, followed by skincare treatments; cough, cold and sore-throat remedies; gastro-intestinal remedies; and other OTC pharmaceuticals.

**OTC SALES FOR DIFFERENT REMEDIES & TREATMENTS**
Nearly every high street pharmacy now has an ‘own-label’ or generic range of analgesics which means you can spend vastly different sums on essentially identical products. Tesco’s own brand paracetamol is 23p for 16x 500mg tablets whereas Pfizer’s equivalent ‘Anadin’ costs £1.20 for 16x 500mg tablets. However, there appears to be a growing awareness of generic medicines, as consumers are increasingly choosing own-label OTC products over the big brands; a trend which has also likely been boosted by the economic downturn.

**HOW MUCH PARACETAMOL FOR £1.20**

**TESCO PARACETAMOL**

![Tescos Paracetamol](image)

**ANADIN PARACETAMOL**

![Anadins Paracetamol](image)

Skincare treatment includes many subsectors, including dry skin treatments, feminine care and antiseptics creams and liquids. Perhaps surprisingly, the largest sales are seen in foot care. Yet, with diabetes becoming one of the biggest health challenges facing the UK, this trend only looks set to increase. By 2025, the leading charity; Diabetes UK, estimates that five million people will have the disease. Too much glucose in the blood from diabetes can cause nerve damage and poor blood flow, which can lead to serious foot problems. Fortunately there is a wide range of OTC products that can help and are specifically formulated for diabetic foot care.
Cough, cold and sore-throat remedies come third in the OTC sales ranking. However, although all sectors saw growth, the strongest in the 12 months up to February 2015 was in this category. Driven by seasonal sales, there is a wide range of hot drinks, medicated sweets and cough liquids available to buy without prescription in the UK. Also popular is the combined analgesic and decongestant products which tackle a range of the common cold symptoms and are easy to take.

**DRIVING FACTORS**
As previously highlighted, the ease of availability of many common medicines has really increased sales over recent years. This, combined with a number of other factors, means the UK OTC market is projected to continue growing over the next 5 years.

According to the latest figures from the Office for National Statistics, the estimated population of the UK grew to 64.6 million in 2014 and is steadily increasing by an average of 0.75% per year, or approximately 485,000 people. Naturally this rise in population equates to a rise in potential customers purchasing OTC medicines.

The demographic of this growing population also has a large part to play. With a widespread fall in fertility rates and significant rises in life expectancy, the UK is facing an ever rising elderly population. The over-65s now outnumber those under the age of 16 for the first time in history. Ultimately this change in demographic has implications across all areas of the healthcare and pharmaceutical sectors, however this also includes an increasing demand for OTC pharmaceuticals.

With an ageing population placing a strain on the NHS, there has been a major reorganisation of the service over recent years and budgets are expected to go further. A direct impact on the patients has been a sustained increase in prescription charges. In June 2015, the NHS prescription charge for England raised to £8.20 per item. As medicines that are prescribed by doctors for many common ailments, such as painkillers and cough medicines, can now be bought for just few pounds directly from your local supermarket, it is often cheaper not to use a prescription. And with the current economic situation such savings are ever more important for many people.

In an attempt to relieve the pressures on the NHS, the government introduced the Self Care Forum as part of the Self Care Campaign in 2011. Its purpose is to further the reach of self-care and embed it into everyday life by educating and supporting the UK public in everything from healthy lifestyle choices to when professional medical help should be sought. Initiatives include educating GPs to involve patients in their care through shared decision making, producing factsheets on how to deal with common illnesses and encouraging healthcare centres to display self-care information.

The Forum has shared research which shows people often abandon self-care earlier than they need to with one of the main reasons being the perception that a prescription pharmaceutical is more likely to cure the illness, even though the medicine may be available over the counter. They want to reduce the current situation where there are 57 million GP consultations a year for minor ailments, costing the NHS £2 billion. They state that around 80% of all care in the UK is self-care and, on average, people in the UK experience nearly four symptoms every fortnight. The three most common being feeling tired/run down, headaches and joint pain. All of which can generally be successfully treated with OTC products!

Clearly, as the Self Care Campaign continues to build momentum, there will be an increasing shift from demand for prescription medicines to demand for over the counter medicines as the UK public become better educated around treating minor ailments.
Finally, the ultimate reason for the industry growth in the UK is the introduction of ‘deregulation’ or ‘reclassification’ of prescription-only medicines to P or GSL, which has allowed medicinal products to be bought ‘over the counter’. The Proprietary Association of Great Britain (PAGB), the UK trade association representing manufacturers of branded OTC medicines and food supplements, publishes a list of all POM to P switches. The first reclassification in the UK was for oral Ibuprofen in 1983 and since then around 150 switches have been made.

RISING COST OF PRESCRIPTIONS

The UK has led the way for reclassification of medicines in Europe and perhaps the world. Non-prescription medicines in most EU countries has been limited to products for indications that are short-term, for example headache or indigestion, and the range of products is fairly basic. Whereas in the UK we can access OTC medicines that are becoming more effective with a longer duration of action or fewer side effects compared with alternative products. The role of the UK pharmacist is essential to this development as they increasingly play a key role in providing a quality healthcare system.
CONCLUSION
With over 30 years of public access to over the counter medicines this sector of pharmaceuticals in the UK has never looked brighter, or more important in terms of maintaining a healthy nation. We should never take for granted how fortunate we are that our pharmacists have the powers they do to distribute safe and effective cures to common ailments without the need to see a GP or put our health at risk. With licence holders looking to switch more products to pharmacy only and general sales licence classifications, and with an increasingly elderly population, it is highly likely we have not seen the peak of OTC sales in the UK.

RESOURCES


http://www.selfcareforum.org/

http://www.pagb.co.uk/regulatory/pdfs/pomtoplist.pdf