

Market Analysis on Generic Medicine

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A large number of studies have focussed on the determinants of the entry of generics in the pharmaceuticals market. Most of them focus on the United States market. Much less evidence is found about heavily regulated pharmaceutical markets, such as the Portuguese market. This study uses data from Portugal, for the period 2000–2015. Based on a sample of 50 reimbursable outpatient drugs, that face potential entry of generics, two econometric models were estimated aiming to identify the determinants of entry and penetration of generics. The active substances included were chosen among those that repre-

sent the highest financial burden to the National Health System or are the most sold (in volume). To each of those active substances, the most sold pharmaceutical form, dosage, and package size was chosen. Our results suggest that market size is the main determinant of the generics entry. Concerning market penetration, our results show that it is determined by the number of marketed generics, as well as by price differences between brands and generics.