India

- Population 2017: 1,352.6mn
- OTC sales per capita 2017: $2.38

Chart 38: India OTC market by category 2017

Category	**$mn**	**17/16**	**% share**
Analgesics	517	+7%	16
Cough, Cold & Allergy	560	+4%	17
Gastrointestinals	691	+11%	21
Vitamins, Minerals & Supplements	831	+4%	26
Dermatologicals	485	+12%	15
Lifestyle OTCs	137	+11%	4
Total	**3,222**	**+7%**	**100**

Source: Nicholas Hall Reports based on ***DB6*** *(MSP)*

Chart 39: India leading OTC marketers & brands 2017

Marketer	**% share**	**Brand**	**% share**
GlaxoSmithKline	9.1	Vicks (P&G)	4.6
Emami Group	6.2	Eno (GSK)	3.2
Abbott	5.6	Dabur Chyawanprash (Dabur)	3.0
Dabur	4.9	Boroplus (Emami Group)	1.8
Procter & Gamble	4.6	Dettol (Reckitt Benckiser)	1.8

Source: Nicholas Hall Reports based on ***DB6*** *(MSP)*

India's OTC market posted solid growth across all major categories, although this was hindered by price cuts for various ingredients and disruption resulting from the introduction of a new tax regime in July 2017. In September 2017 the country took a step closer to an official OTC definition after the Central Drugs Standard Control Organisation's Drugs Consultative Committee agreed in principle to the creation of a separate schedule for OTC medicines. In November the Government constituted a sub-committee to examine how medicines are marketed in the country to aid the creation of the category. VMS growth was boosted by high level of launch activity as marketers turn their focus to OTCs and supplements during a time of uncertainty in the pharmaceuticals segment. GIs grew well as the market continued to recover from lower consumer spending power resulting from demonetisation in late 2016. CCA was boosted by increasing levels of air pollution, which has a beneficial impact on categories like sore throat remedies & medicated confectionery and allergy.

Lifestyle OTCs

Chart 62: Global lifestyle OTCs category split 2017

Category	$mn	17/16	% share
Eye care	3,855	+6%	29
Sedatives & sleep aids	2,289	+1%	17
Smoking control	1,591	+3%	12
Urinary products	1,264	+5%	10
Systemic cardiovasculars	1,065	+5%	8
Emergency hormonal contraception	626	+6%	5
Ear care	237	+6%	2
Obesity treatments	54	-15%	<1
Stimulants	52	-1%	<1
Other lifestyle OTCs	2,064	+7%	16
Total	**13,096**	**+4%**	**100**

*Source: Nicholas Hall Reports based on **DB6** (MSP)*

- Lifestyle OTCs continue to post above average growth (although down on the previous year), bolstered by switch activity and consumers' rising awareness of lifestyle conditions (e.g. cardiovascular disease)
- BTC class in a number of markets offers potential for pharmacists to take a more active role in advising patients, e.g. key factor in permitting switch of erectile dysfunction treatments in New Zealand
- In a key development for ED treatments, Pfizer's Viagra Connect switched Rx-to-OTC in the UK in late 2017
- The UK also created a new lifestyle OTC category in 2017 with the Rx-to-OTC switch of Glenmark's Maloff Protect antimalarial
- **Eye care** sales were driven by a buoyant environment in core regions of W Europe, N America, E&SE Asia and Japan, with lifestyle and environmental factors key
- A+P for core artificial tears and eye decongestant brands generally focused on alleviating eye fatigue caused by chronic screen use, pollution and lack of sleep; target audience is often people with high-stress urban lifestyles, e.g. office workers
- In Europe key trends included the rising popularity of gel formats and options positioned for nighttime use, while in Japan sales grew well thanks to popularity of multi-ingredient products and drops for digital-related eye problems

Chart 65: OTC merger, acquisition, alliance & joint-venture activity 2013-2018 (cont.)

Year	Company	Activity
2017	Vifor Consumer Health	acquired Merfen and Vita-Merfen from GSK (Switzerland)
2017	Weifa	acquired the license to Maxigesic from AFT Pharmaceuticals (Nordics)
2017	Wellnext	acquired NeoCell (USA)
2018	Advent	to acquire Zentiva from Sanofi (Europe)
2018	Aker BioMarine	acquired Enzymotec’s krill oil business (Israel)
2018	Amazon	entered OTC partnership with Perrigo (USA)
2018	By-Health	to acquire Life-Space Group (Australia)
2018	CFP Brands	entered a j-v with Ricola (Germany)
2018	Chiesi Farmaceutici	reported to have acquired Laevolac from Roche (Italy)
		reported to have acquired Marco Antonetto (Italy)
2018	CITIC Capital	increased its stake in Harbin Pharmaceutical Group to 60.86% (China)
2018	Clorox	to acquire NutraNext (USA)
2018	Colgate-Palmolive	acquired PCA Skin (USA)
		acquired EltaMD (USA)
2018	Dermapharm	acquired Strathmann (Germany)
		acquired Trommsdorff from Ferrer Group (Germany)
2018	Direct Digital	acquired Healthy Directions and subsidiaries (USA)
2018	DSM	acquired BioCare Copenhagen (Denmark)
2018	Expanscience Mexico	acquired the license to Maxigesic from AFT Pharmaceuticals (Mexico)
2018	Feihe International	acquired Vitamin World (USA)
2018	GlaxoSmithKline	acquired exclusive ownership of Quell Wearable pain technology from NeuroMetrix outside USA
		acquired Novartis’ 36.5% stake in their consumer healthcare j-v (Global)
2018	GNC	entered a j-v with Harbin Pharmaceutical Group (China)
2018	Gryphon Investors	acquired Matrixx Initiatives (USA)

continued

- A late 2017 WHO report on CBD noted it was not associated with dependence, performed well as an effective epilepsy treatment, was generally well-tolerated and any adverse effects may be the result of reactions with other medicines
- Yet, in December 2016 the DEA passed a Final Rule (enforced from January 2017), firmly registering CBD as Schedule I and banning its movement across state lines
- January 2018 also saw the Obama-era Cole Memo repealed, which allows federal prosecutors to operate under federal law with regards to marijuana, not state law
- April 2018 saw further development when the US Senate Majority Leader introduced the Hemp Farming Act of 2018 – a proposed law to remove hemp (<0.3 THC content) from Schedule I, making it an ordinary agricultural commodity
- If passed, the law would encourage access to federal research funding and remove several regulatory obstacles the hemp industry faces (e.g. banking, water rights)
- Canada legalised medical cannabis in 2001 and in April 2017 introduced legislation to legalise recreational cannabis by July 2018; however, in February 2018 the Canadian Federal Government revealed it would not cast the final vote for bill C-45 (relating to sale, distribution and cultivation) until July 2018
- Medical access across the world has continued to expand with medical legalisation (for Rx use) in Germany (January 2017), Mexico (April 2017), Poland (November 2017) and New Zealand (January 2018)
- While cannabis on the whole remains illegal in the UK, CBD is legally available; in 2016 the MHRA recognised CBD products with medicinal claims as medicines, giving manufacturers and stockists until end-2016 to apply for marketing authorisation to continue to legally sell their product
- In 2017 Uruguay became the first country to permit recreational cannabis (available since 2013) to be sold in pharmacies (citizens and permanent residents only)

Rapidly evolving and expanding, e-commerce poses a real threat to traditional sales channels

- Impacting brick-and-mortar retail stores across all consumer markets, online sales are a real threat to the traditional self-care market, an area already losing its association with pharmacies and on-hand advice to small shops and supermarkets
- The growing threat of e-commerce was thrown into sharp relief when internet giant Amazon quietly launched its OTC Basic Care line in January 2018; the online retailer partnered with Perrigo to produce a self-care line (owned by the latter), including analgesics, allergy treatments and gastrointestinals
- Amazon's foray into consumer self-care comes after its acquisition of US supermarket chain Whole Foods in 2017, preparing to become a comprehensive online platform for virtually all consumer needs

Prilosec OTC (P&G)

- AstraZeneca's omeprazole-based proton pump inhibitor was switched in USA by P&G in 2003, the country's first OTC PPI
- After delayed approval process, it was a large success on launch, with initial sales coming mainly from Rx users of omeprazole, who followed the brand over the counter to benefit from the lower price
- P&G's retail clout ensured powerful distribution, but the key success factor was gaining the support of Managed Care providers
- Professional sampling was used heavily and patient heartburn diaries were distributed to support self-treatment; by 2004 promotion boasted it was the "No.1 doctor recommended OTC acid reducer"
- After initial success, the brand held a comfortable lead of US antacids until 2015, when it lost out to Nexium 24HR; previously share had been eroded by private labels and new PPI entrants
- Prilosec OTC still holds third place among US antacids but sales have posted year-on-year declines

Rhinocort (J&J)

- Adding to the range of intranasal steroid sprays currently available OTC in USA, J&J's Rhinocort (budesonide) launched in February 2016
- Pfizer had first refusal on OTC rights for Rhinocort but relinquished them, allowing J&J to submit a supplemental new drug application for Rhinocort in 2014
- Rhinocort is available OTC as a spray (budesonide 32mcg per dose) indicated for relief of nasal allergy symptoms such as nasal congestion, runny nose, itchy nose and sneezing; J&J markets the brand in its "original prescription strength"
- Launched as a companion product to systemic allergy remedy Zyrtec, Rhinocort (marketed as "from the makers of Zyrtec") uses the same "Muddle no more" tagline in advertising
- With considerable competition in the INS segment of allergy remedies from brands such as Flonase, Nasacort and ClariSpray, Rhinocort has struggled, with US sales dipping in 2017
- Children's Rhinocort launched in October 2016, competing with Children's Flonase which launched earlier that year
- J&J subsidiary Cilag acquired the rights to Rhinocort Aqua outside the USA from AstraZeneca in October 2016; key markets where Rhinocort is available OTC include Australia, China and Sweden

Chart 72: Company Ownership Index (cont.)

Company	Company HQ	Ownership information
Menarini	Italy	
Mentholatum	USA	Rohto
Mepha	Switzerland	Teva
Merck	Germany	Public
Merck Médication Familiale	France	Merck
Merz	Germany	
Millennium Products	USA	
Mondelez International	USA	Public
Montefarmaco	Italy	
Mucos	Germany	Nestlé
Mundipharma	UK	
Mylan	USA	Public
Myra	Philippines	United Laboratories
Natrol	USA	Aurobindo
Natur Produkt	Russia	Valeant
Nature’s Way	USA	Schwabe
Nearmedic	Russia	
NeilMed	USA	
Neimenggu Hong Mao	China	
Neo Química	Brazil	Hypera Pharma
Nestlé	Switzerland	Public
Neutrogena	USA	Johnson & Johnson
Nin Jiom	Hong Kong	
Nippo Pharm	Japan	
Nizhpharm	Russia	Stada
Nordic Naturals	USA	
Norgine	Netherlands	
Northwest Natural Products	USA	Church & Dwight
Novartis	Switzerland	Public
Nutrisains	Indonesia	Pharos
Nycomed	Switzerland	Takeda
Omega	Belgium	Perrigo
Orion	Finland	Public

continued

Chart 73: Brands & Marketers Index (cont.)

Brand	Key Category	Countries	Marketer
Motrin	systemic analgesics/ systemic cold & flu/ systemic decongestants	USA	Johnson & Johnson
		China	Shanghai J&J/J&J
		Mexico	Johnson & Johnson
		Canada	Johnson & Johnson
Movicol	laxatives	Germany	Norgine
		France	Norgine
		Australia	Norgine
		UK	Norgine
		Belgium	Norgine
		South Africa	Norgine
		Denmark	Norgine
Mucinex	cough remedies/systemic cold & flu	USA	Adams Respiratory Therapeutics/RB
Mucoangin	sore throat remedies & medicated confectionery	France	Sanofi
		Spain	Fher/Sanofi
		Mexico	Promeco/Sanofi
Mucosan	*see Mucosolvan*		
Mucosolvan	cough remedies/topical decongestants	China	Boehringer Ingelheim
		Germany	Sanofi
		Russia	Sanofi
		Spain	Fher/Sanofi
		Italy	Sanofi
		Poland	Sanofi
		Saudi Arabia	Sanofi
Muhi	anti-itch/systemic cold & flu/scalp treatments	Japan	Ikeda Mohando
Multicentrum	*see Centrum*		
Myramistin Infamed	antiseptics & disinfectants	Russia	Infamed
Nao Bai Jin	sedatives & sleep aids	China	Shanghai Gold Partner/ Stone Group
Naprogesic	*see Aleve*		
Nasacort	allergy remedies	USA	Sanofi

continued