

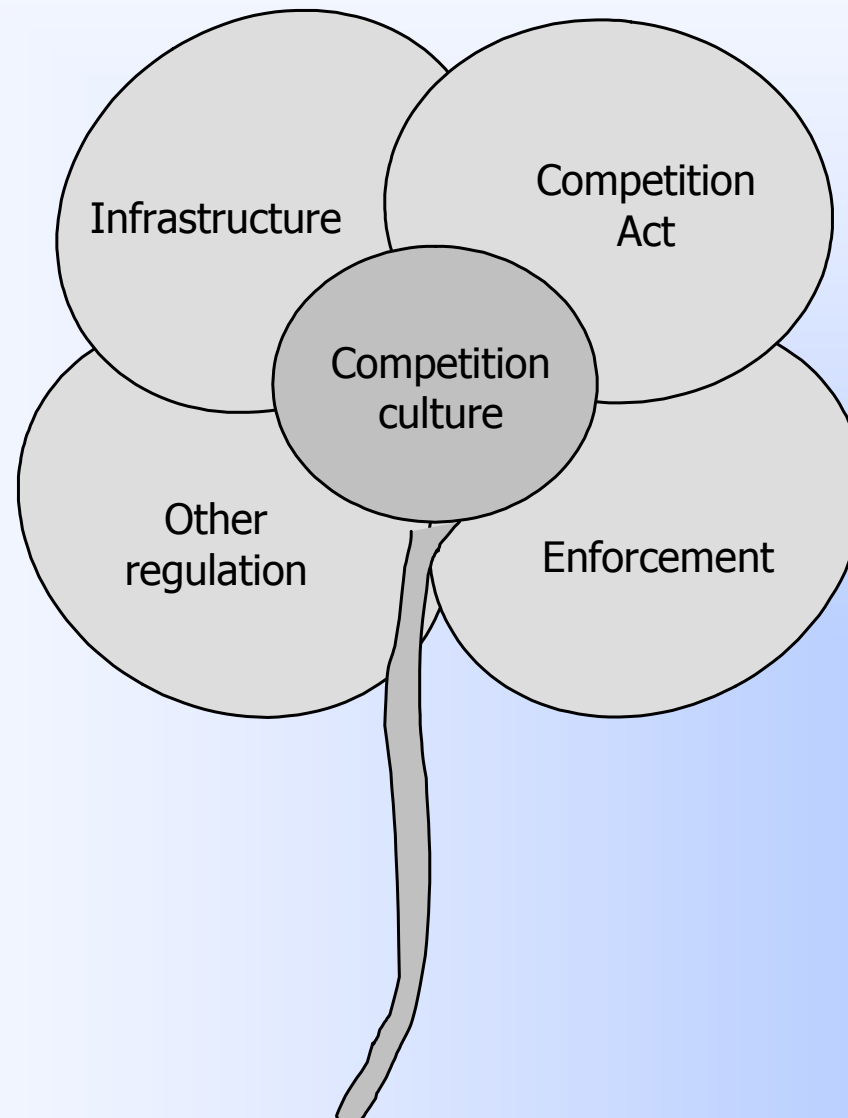
Better regulation of professional services (especially pharmacies)

Danish experience

November 21, 2005

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Competition strategy



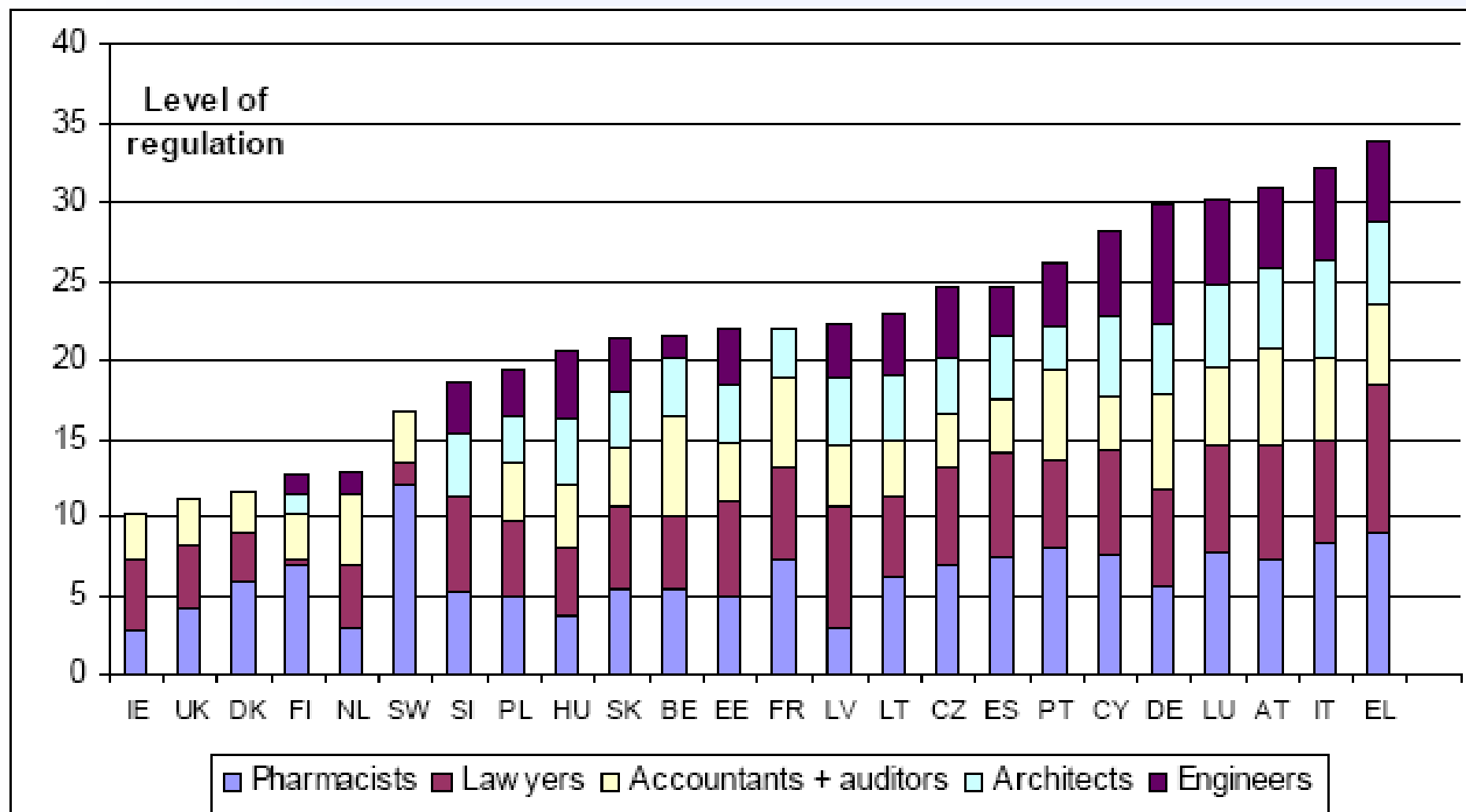
Promoting reforms - instruments

- Interministerial programmes/committees
- Annual report, studies etc.
- Procedure under which the responsible minister – in effect, the government - is obliged to respond within 4 months

Strategy

- Sectors with low competition intensity
- Questions dealt with in the annual Competition Report
- A mixture of easy and difficult cases
- A mixture of cases concerning infrastructures, authorizations, concessions, marketing restrictions, etc.

Level of regulation



Deregulation programme, 2003/2004

- Identify changes to regulation that restricts competition without deviating from other public interests
- Political / governmental commitment
- 12 areas selected - land surveyors, dentists, lawyers etc.
- Standardized methods used

Deregulation programme, 2003/2004

Experiences:

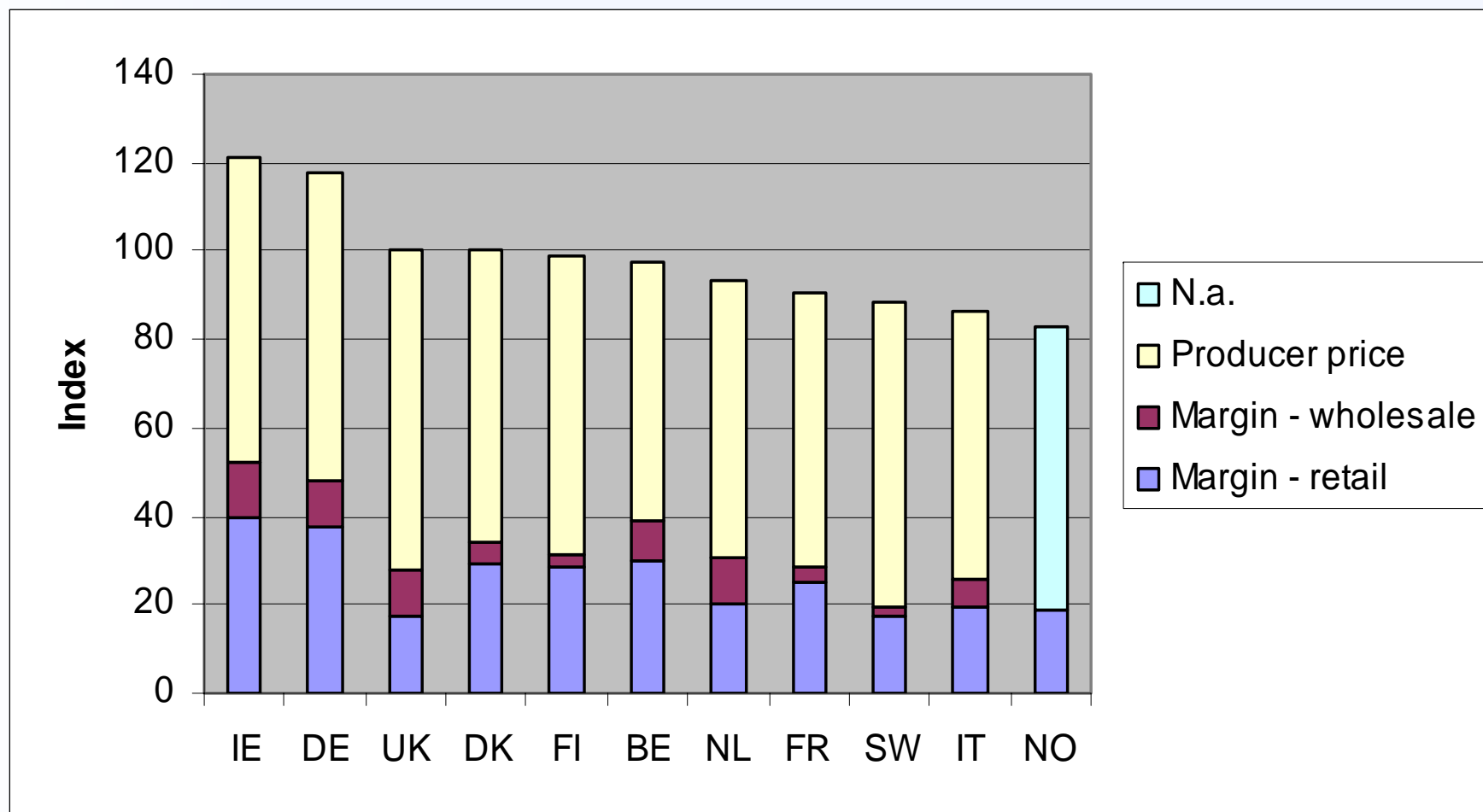
- Certain results achieved
- Continuing process
- Obstacles from sectorial interests

Pharmacy regulation in EU-countries

	BE	DE	DK	FI	FR	IE	IT	N	NL	SW	UK
Fixed prices		+	+	+	+		+			+	+
Maximum prices	+					+		+	+		
Numbers and location	+		+	+	+		+			+	+
Ownership - numbers		+	+	+	+						
Ownership - education		+	+	+	+						

Source: Informations from the countries mentioned

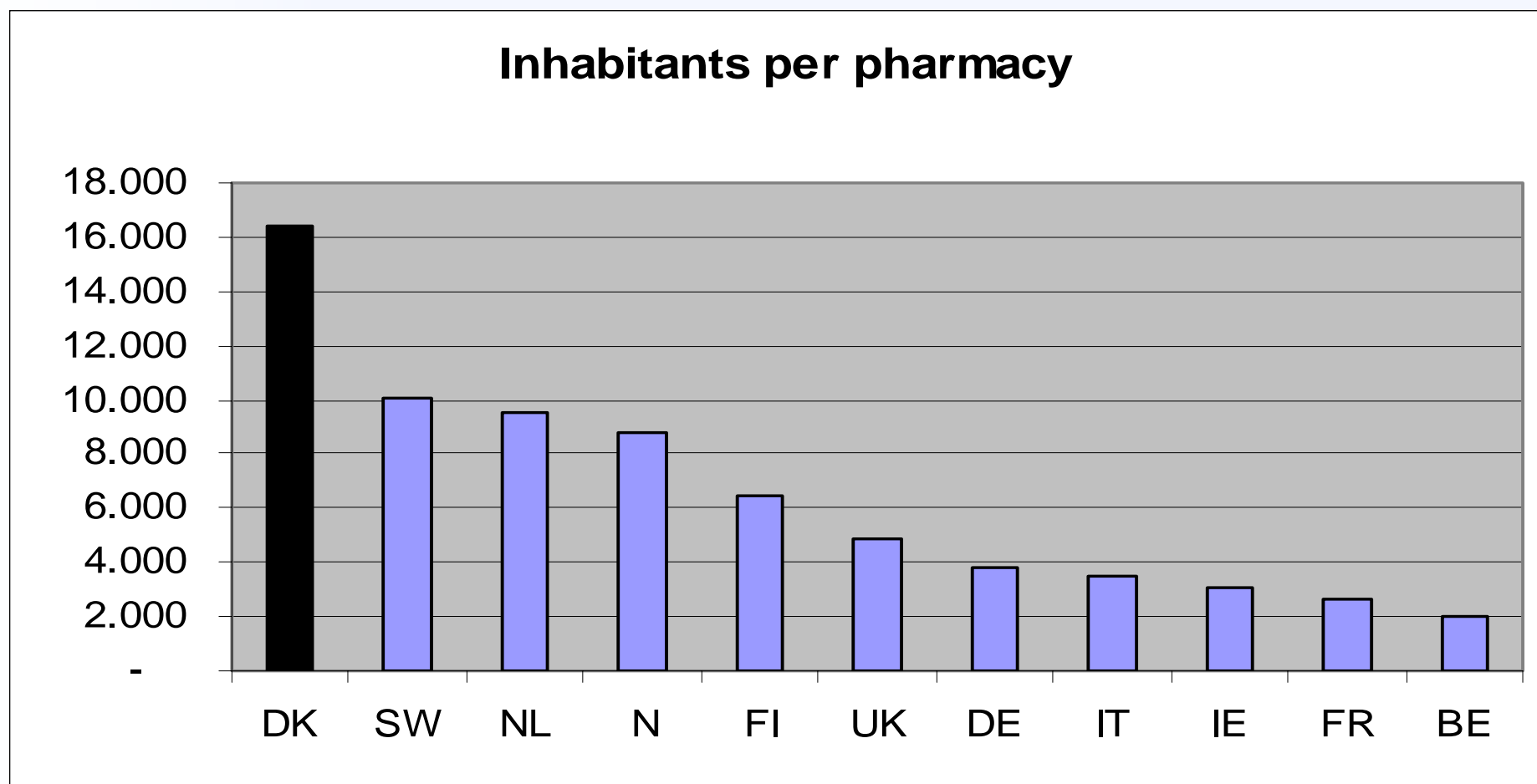
Drug prices in EU-countries



Note: Excluding generics.

Source: Own calculations on international studies.

Pharmacy density in EU-countries



Source: International health authorities, WHO and own calculations.

The Danish pharmacy sector

Extensive regulation (since the year 1546)

- Limited entry (centralized licensing)
- Fixed prices for prescription medicine
- Restrictions on ownership

Proposal

- Free entry
- Pharmacies sold when owner exits
- Internet pharmacies
- Maximum prices
- Supply secured by tenders in rural areas

Effects of DCA 's proposal

Proportionality - public interests are not harmed by introducing competition

- Accessibility
- Security
- Prices
- Administration of reimbursement and substitution

Burden of Proof

The competition authority must prove that sector policy goals – irrespective of their relevance – are not – even partly – put at risk