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THE RT HON GEORGE THOMSON

Address to THE PHARMACEUTICAL SOCIETY OF GREAT BRITAIN  
Dundee, 15th September, 1976.

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The way in which the European Community impinges on the operations of the profession of pharmacy and the pharmaceutical industry provides a good example of how adaptable and flexible the Community is in practice - and how it is always ready to learn from experience - and profit from its mistakes.

One of the big changes that has taken place within the Community over recent years is the reaction against any idea of harmonisation for harmonisation's sake. Back in 1969, and again in 1972, the European Commission put forward ambitious proposals for the imposition of an identical professional statute for

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pharmacists within the then Community. Even within the six founding members, with their long experience of the Community, this ran into serious difficulties. And when the three new members arrived, the task was given up as politically impossible.

Since then, there has grown up a new and more pragmatic approach to the problems of harmonisation - seeking the minimum essential for the development of the Community or for public health and safety, and making the arrangements optional wherever possible.

There is now no question - and indeed there never was - of us all being forced to drink the same Euro-beer and eat the same Euro-bread. Nor is there any danger of all of you being forced to become exactly the same kind of Euro-pharmacist, although there may be much more to be said for serving the same Euro-aspirin, conforming to the same Community safety standards.

The new draft directive which the Commission is now proposing, to deal with the difficult and delicate question of the free movement of pharmacists within the Community, will be shaped as a result of current discussions between the Commission and the four European groupings of pharmaceutical associations. This includes the Groupement Pharmaceutique, to which your Society, Mr. Chairman, belongs. The Commission has already circulated its proposals in writing, and hopes to have the comments of the European organisations by the end of the year.

As you know, some progress has already been made in a related field, that of the free movement of pharmaceutical products. The second Directive on the free movement of pharmaceutical products and their licensing in the Member States was adopted by the Council in May 1975 and will come into operation in November of this year. It included minimum qualifications for persons responsible for manufacturing pharmaceutical products and certifying them at the manufacturing stage.

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These minimum qualifications - so many years of theoretical and practical training - will serve as the basis for the free movement of pharmacists in the Commission's forthcoming draft Directive, which will also deal with the other side of the coin, namely the mutual recognition of these minimum qualifications. The Commission intends to draw up its draft Directive in the course of next year, and, as I have said, will make it one of its priority tasks.

The Community has also been becoming increasingly active in the field of consumer protection - ensuring that the customer in the pharmacy is protected in terms of value for money. There is a new Community Consumer Department, devoted to ensuring clear labelling and agreed safety standards.

The Commission also has important powers to ensure that the consumer does not suffer in price and choice from any large company abusing any dominant

position it may occupy in its own field. In the case of Hoffmann-La Roche, the Commission recently imposed a £125,000 fine and ordered the company to stop certain practices considered to constitute an abuse of the firm's dominant position on the Community's vitamins market. In our view, the practices in question were aimed at ensuring that a number of major bulk vitamin users in the Community purchased their vitamins only from Hoffmann-La Roche, thereby cutting out competition from other vitamin producers to the detriment of the industry and the consumer. Some of the contracts to which we objected contained an express obligation by the producer to buy all or almost all of their vitamins from Roche. Others provided for fidelity rebates, whereby rebates were granted based not on differences in costs related to quantities supplied, but based on the supply by Roche of all, or a very large proportion of the customers' requirements. However, Hoffmann-La Roche has appealed to the Court of Justice against our decision, and the final word will rest with the Court.

Meanwhile, the Commission is pursuing a number of other investigations in the interests of ensuring for the public a fair degree of freedom of choice and protection from unfair price policies.