EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR HEALTH AND FOOD SAFETY

Directorate B - Health systems, medical products and innovation
B4 – Medical products: quality, safety and innovation

Meeting between Biotest, PPTA and DG SANTE B4

21 January 2016

Summary Minutes

Participants:

Biotest: J. Herborg, S. Barckhausen, E. Flechsig, H. Keuper, M. Fischer.

PPTA Europe: B. Santoni, K. Petrovsky.

DG SANTE: D. Schnichels, S. Van der Spiegel, R. McGeehan, D. Fehily.

The meeting was organised by the Plasma Protein Therapeutics Association (PPTA) and was held on the Biotest premises in Dreieich, close to Frankfurt. It was followed by a tour of the manufacturing facility.

1. The meeting began with a presentation of the history of the company since it began as a diagnostics company in 1946 to its current role exclusively in manufacturing of plasma derived medicinal products, holding around 4% of the global market. The current facility has reached its maximum capacity and future plans are focused on a large investment in a new manufacturing facility. The new facility is at an advanced stage of construction and is on track for opening for work in 2018.

2. Biotest presented some of the particularly challenging aspects of achieving success in the sector. Unlike most other industries, a very significant percentage of costs are associated with the acquisition of their starting material, human plasma. For profitability, it is necessary to make multiple products from each litre of plasma. Large investments in the development of new products can be lost when the products do not achieve the intended results (in clinical trials) or equivalent products are authorised first by other companies. There is a long delay (around 9 months) from plasma collection to product sale and a 6 year delay from starting to build a new facility to final sale of products manufactured, much of which is due to the requirements for validation and authorisation. Changes in donor selection requirements (e.g. deferrals due to emerging risks) and in transfusion practices (reductions across the world in whole blood use with

consequent reductions in the availability of plasma recovered from whole blood) can have unforeseen and very dramatic impacts on the supply of their starting material.

3. Biotest presented an outline of the global market for plasma derived medicinal products. The product that leads demand is intravenous immunoglobulin (IVIG) and the demand is increasing steadily and steeply. There is a striking imbalance in the use of IVIG globally, with around 50% of the global supply being used by the United States where it demands a significantly higher price than in the EU. Consumption per million population varies dramatically from around 180 Kg per million population in the US and Australia to around half of that in most EU countries but, in some, it is as low as 10 in some other EU Member States. This difference is caused by a number of factors, but Biotest considers that the weak diagnosis of Primary Immune Deficiency (PID) is a significant factor in the EU.

4. PPTA presented an overview of their role in the sector. PPTA is the trade and standards-setting organisation that represents private sector plasma collectors and manufacturers. Their members provide more than 60% of the world's needs for apheresis plasma for the manufacture of plasma derived medicinal products ('source plasma') and are also manufacturing the majority of plasma protein therapeutics in sites in the US, Europe and Australia.

5. PPTA noted that since the '90s there has been a trend towards the closure or privatisation/sale of public sector plasma protein manufacturers. This is explained by the need to consolidate the scale of industrial activities due to the huge investments necessary to run efficient manufacturing facilities and related activities.

6. PPTA supports a high level of quality within the industry through the maintenance of the voluntary standards IQPP (International Quality Plasma Program) and QSEAL (Quality Standards of Excellence and Leadership) for both source plasma collectors and fractionators. The standards are verified through a certification programme.

7. PPTA data indicated that the demand for plasma for fractionation has increased 6-fold during 40 years (up to 2014).

8. Senior Biotest personnel presented the processes and challenges involved in their areas of work: plasma procurement, ensuring viral safety and manufacturing operations.

9. Procurement of adequate quantities of plasma was presented as a major limiting factor for the growth of their business. The successful implementation of patient blood management (PBM) programmes in the EU has caused a significant fall in whole blood collection across the EU. While this is a positive development for the transfusion sector, it also brings a risk for the supply of plasma for fractionation in the EU in particular, where recovered plasma represents an important portion of the plasma available. For greater sustainability, there should be increased plasma collection by apheresis.

10. Biotest pointed out that there is no 'common market for plasma' in the EU, not allowing any company to collect or buy plasma and to ship (export) it to Germany for manufacture, despite supplying many of the same countries with finished products. Biotest also considers itself to be disadvantaged in the 'competition' between the manufacturers due to national laws in the EU

that protect the local markets by allowing restrictive contracts between blood services and particular manufacturers. Compared to Europe, in the US there are much higher rates of plasma collection and a higher number of collections allowed per annum. In Biotest's opinion, the cost of plasma from the US is higher than in the EU. Nevertheless, the sector has to import significant amounts of plasma coming from the US. This is partly due to insufficient availability of European plasma for fractionation related to the above mentioned market situation. Another reason is that the US only allows plasma products to be sold in the US market that are manufactured out of US plasma for fractionation. It was noted that, as well as buying and fractionating plasma into plasma derived medicinal products, an important part of their fractionation activity is contract processing with the return of finished products to blood services or other pharma manufacturers.

11. Biotest considered that the restrictions to the free movement of plasma within the EU are frequently related to policies regarding compensation/non-compensation of donors and national self-sufficiency. Biotest argues that, rather than aiming for 'non-compensated self-sufficiency', the goal should be for 'compensated global care'.

12. Following the meeting, the DG SANTE visitors were given a tour of the manufacturing facility.