



Overview of the Activities of Estonian Pharmacies

Number of Pharmacies

There are three types of pharmacies in Estonia: general pharmacies, veterinary pharmacies and hospital pharmacies. Pharmacies may have up to three branch pharmacies as structural units. The changes in the total number of pharmacies from 2011-2015 are shown in following table, which gives the number of pharmacies and their branches at the beginning of the year.

Number of pharmacies (incl. branches) in Estonia 2011-2015

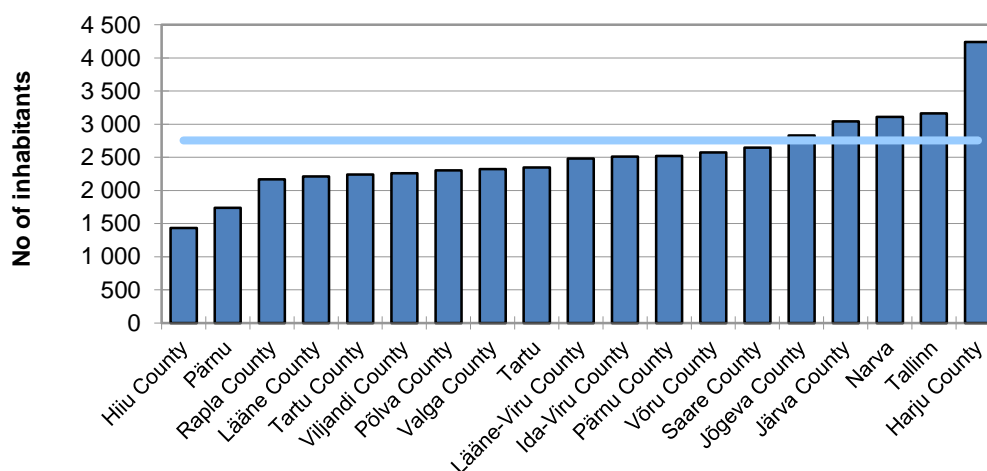
	2011	2012	2013	2014	2015
General pharmacies	477	469	475	478	476
Hospital pharmacies	26	24	25	24	24
Veterinary pharmacies	7	5	4	4	4

*The number of pharmacies (inc. branch pharmacies) as of 1st of January

In 2014 number of general pharmacies decreased by 2. Five general pharmacies were closed and 4 new main pharmacies were opened in 2014, the number of branch pharmacies decreased by one at the same time. Activity licences had been issued to 310 general pharmacies, which had 166 branch pharmacies, at the beginning of 2015. A quarter of all general pharmacies are located in Tallinn. 73% of all general pharmacies and their branch pharmacies are located in towns and cities.

The average number of retail pharmacies in Estonia at 1st of January 2014 was one per every 2753 inhabitants. In most counties the number is below average. However, in Harju County, Tallinn and Narva, the number is above 3000 or more residents per pharmacy. The horizontal line illustrates the average in Estonia. The population figures used to calculate the number of people living in each county was obtained from the regional development database of Statistics Estonia.

Number of inhabitants per pharmacy in the beginning of 2014 in major cities and counties compared to the Estonian average



The number of hospital pharmacies is the same like at the beginning of 2014. There were 23 hospital pharmacies and 1 branch pharmacy at the start of 2015. Seven of the hospital pharmacies were located in Tallinn, three in Harju County and two in Ida-Viru County. As for other counties and larger cities Tartu and Narva there was one hospital pharmacy in each. Valga County and Võru County are the only counties that have no hospital pharmacies.



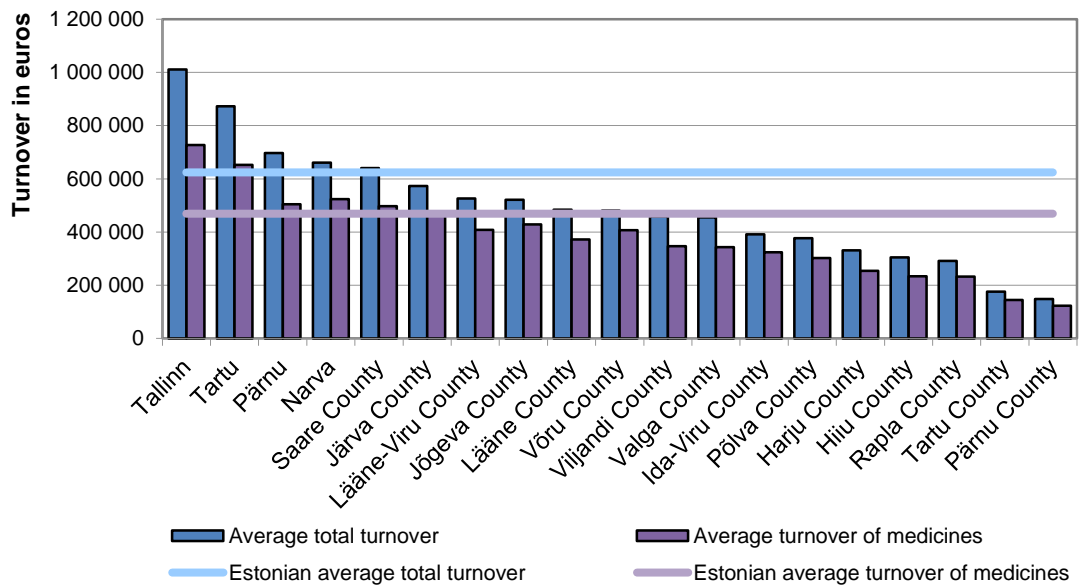
Since 2003 the number of veterinary pharmacies has decreased significantly. There were four veterinary pharmacies in Estonia at the beginning of 2015: in Tallinn, Tartu, Põlva County and Saare County.

General Pharmacies

The turnover of general pharmacies divides as follows: ca. 75% from sales of medicines and ca. 25% from sales of other goods. Turnover of medicines includes sales of non-prescription medicines, prescription medicines and veterinary medicines. Turnover of prescription medicines can in turn be divided into turnover of medicines dispensed on the basis of prescriptions the Estonian Health Insurance Fund (EHIF) compensates for or not. The other goods sold in pharmacies include hygiene products, medical supplies, medical equipment, food additives, cosmetics, etc.

In 2014 the turnover of general pharmacies was 297 millions euros, which increased 6% compared to previous year. The average turnover of general pharmacies was 0.62 million euros and the average turnover of medicines 0.47 million euros. When we look at the average turnover of general pharmacies in major cities and counties, shows that the average turnover is strongly affected by the sales of Tallinn and Tartu pharmacies.

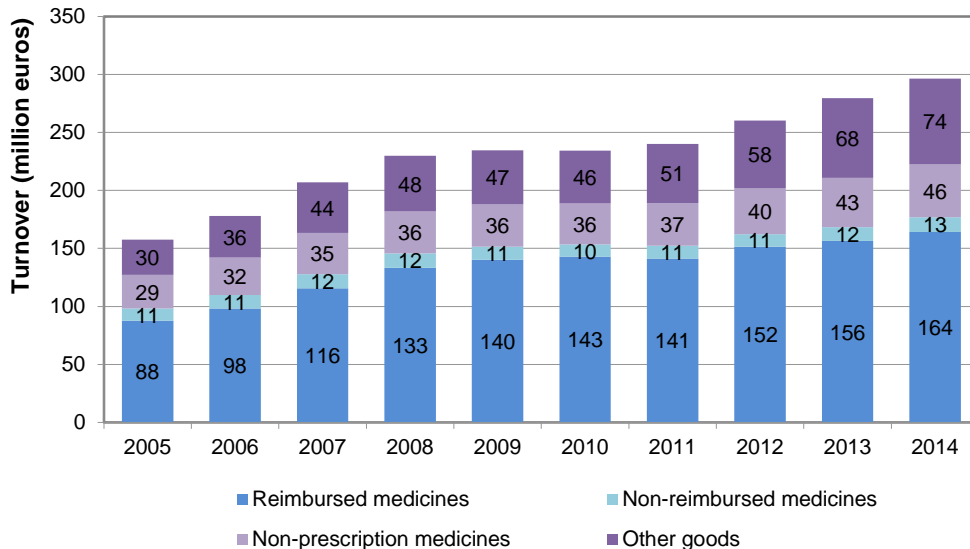
**Average turnover of general pharmacies in major cities and counties
2014**





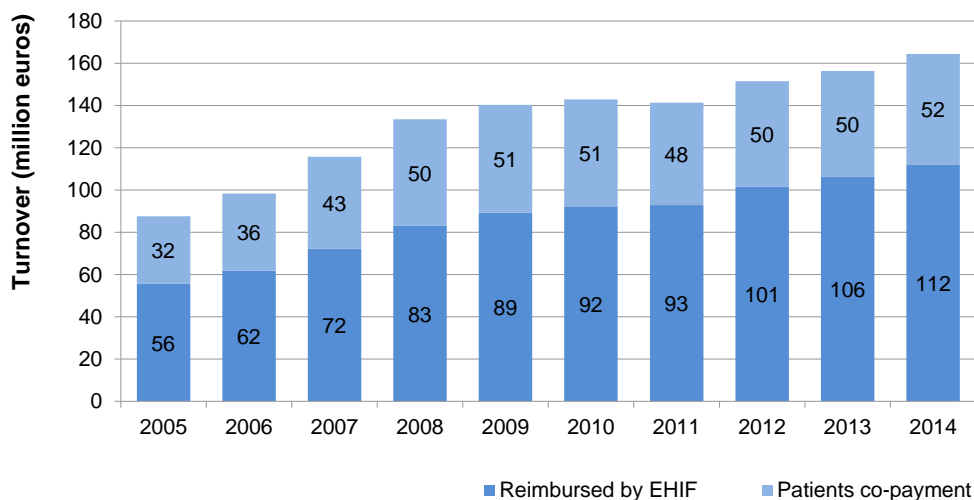
The turnover from medicines dispensed on the basis of prescriptions with discounts is the highest with approximately 93% of the total turnover from prescription medicines. Turnover of prescription medicines increased by 5.2% in 2014 compared to the previous year. Turnover of non-reimbursed medicines increased in 2013 and 2014 and was in 2014 at the same level compared to 2008. Turnover of non-prescription medicines increased 6.8% and turnover of the other goods increased 7.8% in 2014 compared to the 2013. Turnover of veterinary medicines in general pharmacies is relatively modest and remained in 0.47 million euros in 2014. The turnover of medicines of EU prescriptions was 111 thousand euros in 2014.

Turnover of general pharmacies in 2005-2014



The cost of prescription medicines reimbursed by EHIF divided as follows in 2014: ca. 32% paid by the patient and ca. 68% paid by the EHIF. This ratio has remained quite stable in recent years. The average cost of a prescription reimbursed by EHIF is influenced by the quantity of reimbursed medicines dispensed as well as the choice of specific discounted medicines, i.e. whether the chosen medicinal product with the same active ingredient is the more expensive or a cheaper option. The average cost of a reimbursed medicine in 2014 was 20 euros, which is remained at the same level as previous three years.

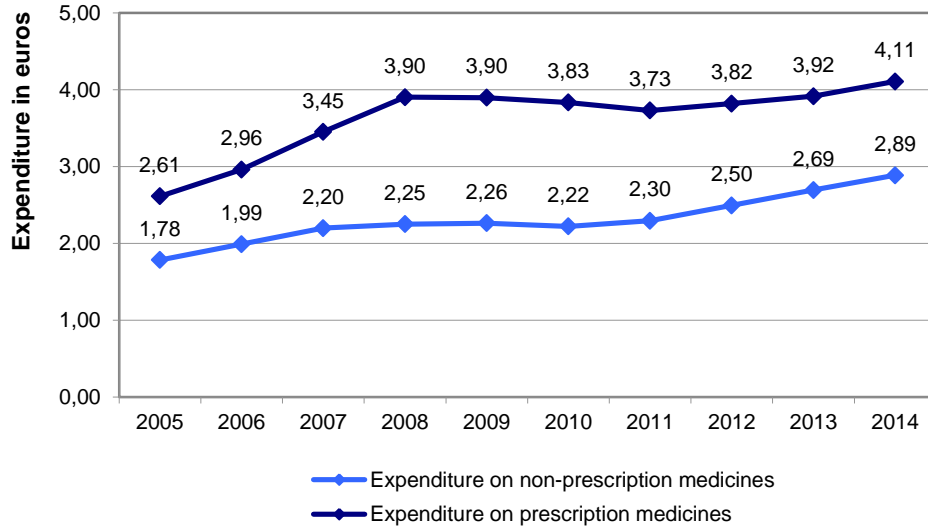
Turnover of reimbursed medicines in general pharmacies in 2005-2014





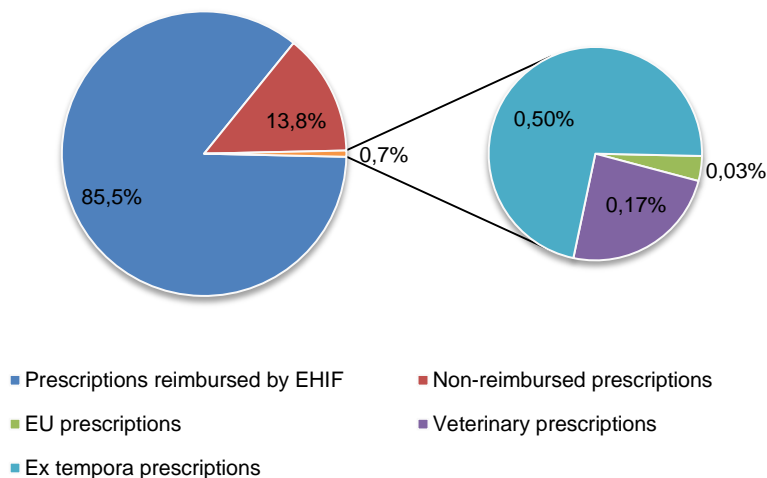
The average amount spent by a inhabitant of Estonia on medicines in 2014 was 7 euros per month, 84 euros per year. Compared to 2013, expenditure on non-prescription medicines has increased 7% and expenditure on prescription medicines has increased 5%.

**Expenditure on medicines per inhabitant per month
in 2005-2014**



More than 9.4 million prescriptions were handled by general pharmacies in 2014. The largest proportion was medicines dispensed on the basis of prescriptions reimbursed by EHIF (85.5%). The number of prescriptions without discounts was ca. 1.3 million (13.8%), while the number of EU prescriptions was slightly under 2 500 (0.03%) and the number of prescriptions for medicines prepared *ex tempore* remained nearly fifty thousand (0.5%). The number of prescriptions of medicines for veterinary purposes was sixteen thousand (0.17%).

Prescriptions handled by general pharmacies in 2014

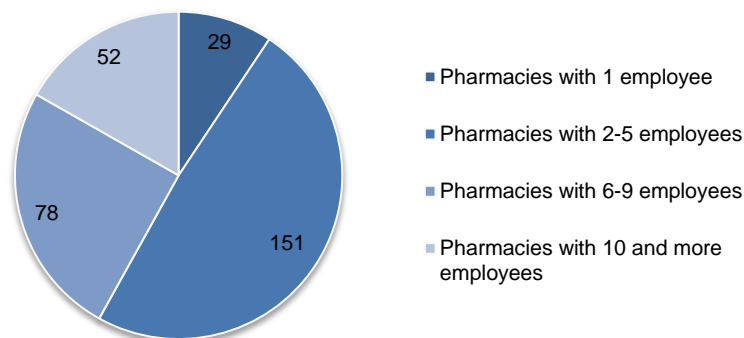




5% of general pharmacies prepared medicines *ex tempore* or officinal formulae or divided them up into smaller packages in 2014. 16% of general pharmacies prepared medicines as officinal formulae, 41% prepared medicines *ex tempore* and 11% of pharmacies divided medicines up into smaller packages. Nearly half of the pharmacies (56%) did not prepare or divide up any medicines. More than 123 thousand medicine packages were prepared in general pharmacies in 2014, more than 41 thousand of which were prepared *ex tempore*. The number of medicines prepared *ex tempore* was highest in Tallinn, comprising 55% of all medicines prepared *ex tempore* in general pharmacies in 2014. The number of medicines prepared as officinal formulae was highest in Tartu, comprising 52% of all medicines prepared as officinal formulae in general pharmacies in 2014.

817 dispensing chemists, 649 pharmacists and 466 other employees worked in Estonian general pharmacies at the end of 2014. 30% of all people working in general pharmacies are employed part-time. Approximately 33% of all dispensing chemists and 50% of pharmacists employed in general pharmacies work in Tallinn. The proportion of dispensing chemists is highest in general pharmacies in Tartu, where it comprises 71% of all general pharmacy employees in the city. Dispensing chemists comprise 42%, pharmacists 34% and other employees 24% of all general pharmacy employees in Estonia as a whole. 2-5 employees usually work in one general pharmacy (main pharmacy and its branches put together). The number of general pharmacies with more than 10 employees is highest in Tallinn, while the number of general pharmacies with one employee is highest in Tartu County.

General pharmacies divided by the number of employees in 2014

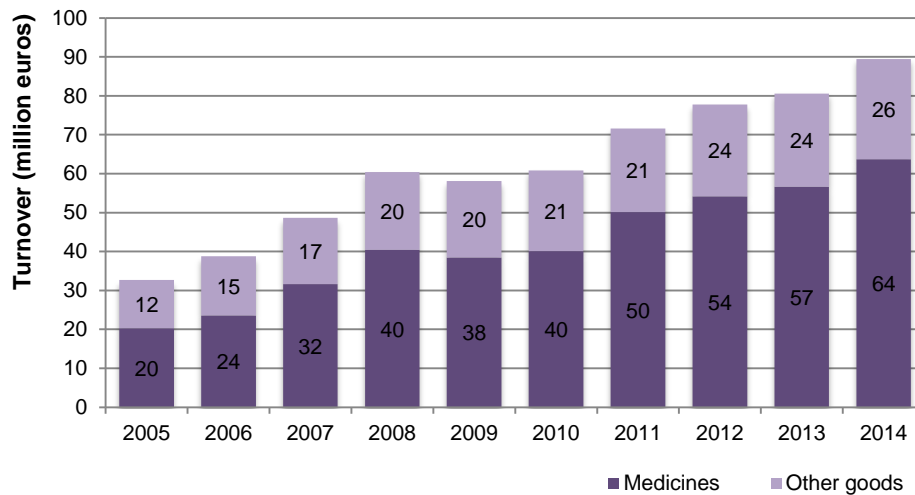




Hospital Pharmacies

Within the past decade turnover of the hospital pharmacies has increased three times. The total turnover of hospital pharmacies in 2014 was 89.4 million euros. Turnover of medicines comprised 63.7 million euros (71%) of this. The turnover of hospital pharmacies is calculated without VAT.

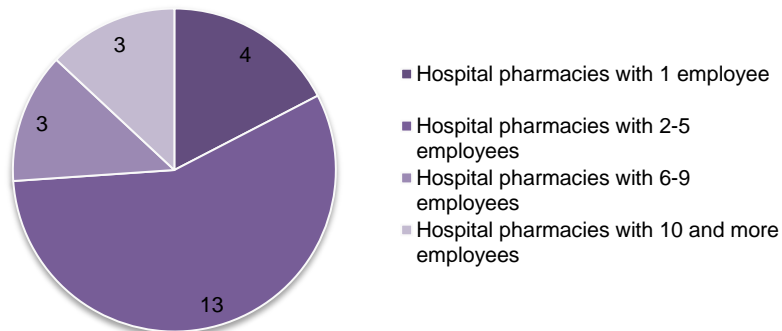
Turnover of hospital pharmacies in 2005-2014



The turnover of hospital pharmacies is very versatile. The annual turnover of fifteen hospital pharmacies or approximately two-thirds of hospital pharmacies was less than 1 million euros. There are four medium-sized hospital pharmacies whose turnover remained between one and five million euros, and there are also four large hospital pharmacies in Estonia whose turnover in 2014 exceeded five million euros. In total, the four largest pharmacies comprised 80% of the total turnover of hospital pharmacies. This means that the four largest pharmacies also have a very strong impact on the average annual turnover of hospital pharmacies, which in 2014 was 3.9 million euros. When we look at the remaining pharmacies separately from the four largest, we see that the average annual turnover is considerably smaller: 0.95 million euros.

The employees in hospital pharmacies are mostly dispensing chemists. 72 dispensing chemists, 39 pharmacists and 38 other employees worked in hospital pharmacies at the end of 2014. Up to five people work in medium-sized hospital pharmacies and only the largest ones employ more than five people.

Hospital pharmacies divided by the number of employees in 2014



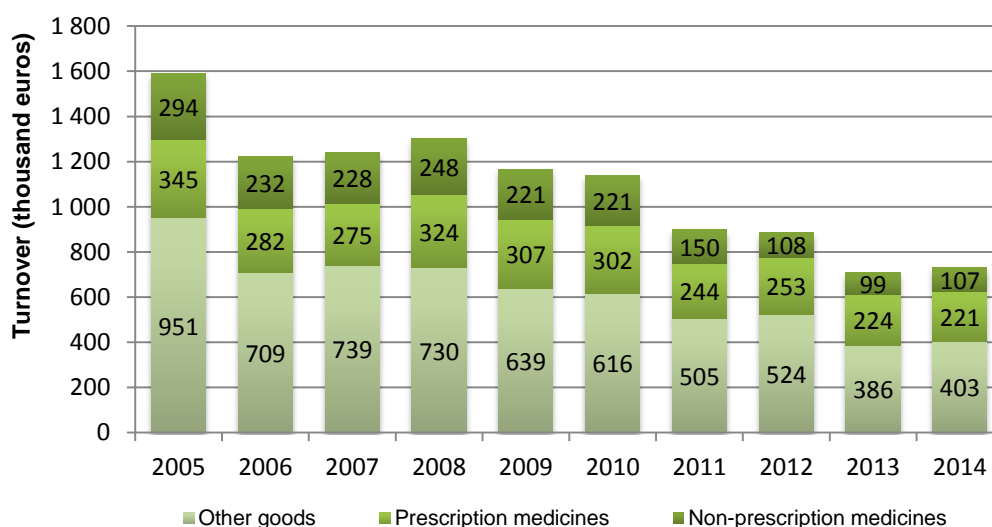


Veterinary Pharmacies

Similarly to general pharmacies, the turnover of veterinary pharmacies comprises turnover of medicines and turnover of other goods. However, unlike general pharmacies, sales of other goods comprise the largest proportion of veterinary pharmacy turnover, which was 55% in 2014.

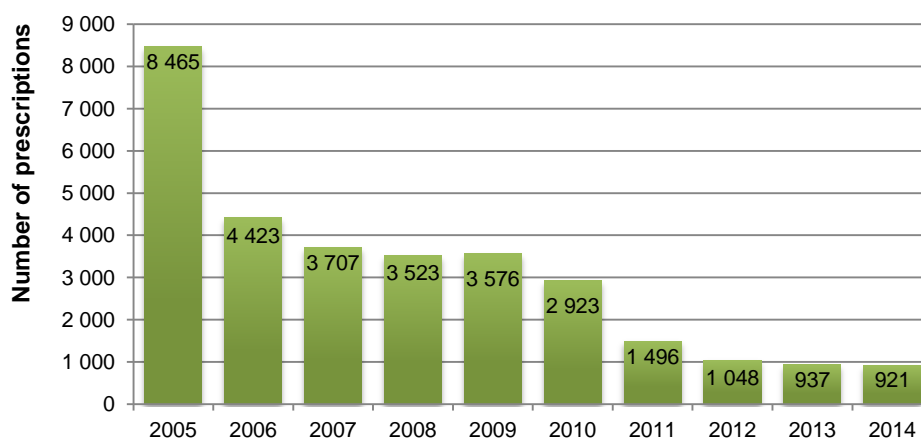
Due to the number of veterinary pharmacies has diminished, the total turnover of veterinary pharmacies has also declined. Only in 2014 the turnover of veterinary pharmacies increased 3% compared to the previous year (slightly over 730 thousand euros).

Turnover of veterinary pharmacies in 2005-2014



Veterinary pharmacies dispense prescription medicines on the basis of order forms and prescriptions. The number of prescriptions handled by veterinary pharmacies has decreased by 89% in the past ten years.

Number of prescriptions handled in veterinary pharmacies in 2005-2014



In 2014 seven veterinarians worked in four veterinary pharmacies.