



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 branch pharmacies and pharmacy-bus as structural units. The licensed general pharmacy can offer the e-pharmacy service. The changes in the total number of pharmacies from 2007-2017 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 2007-2017

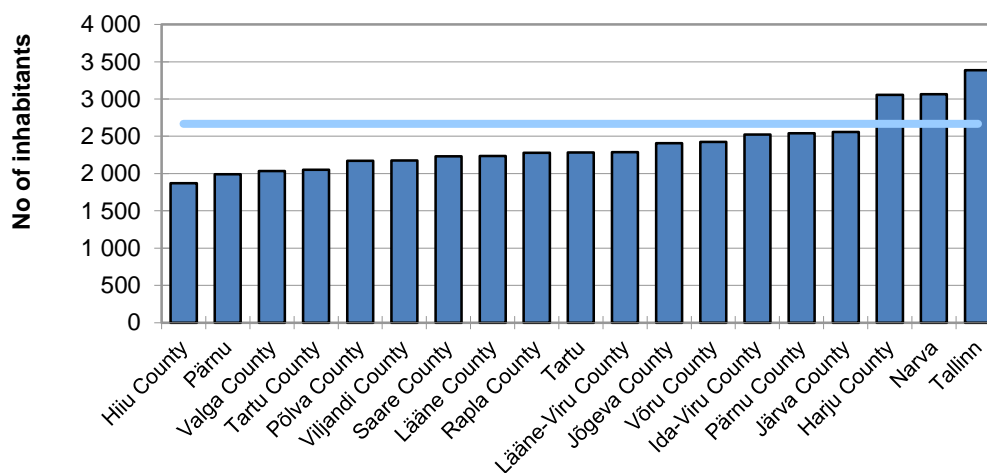
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General pharmacies	523	509	496	486	477	469	475	478	476	493	490
Hospital pharmacies	29	29	28	26	26	24	25	24	24	24	24
Veterinary pharmacies	10	8	7	7	7	5	4	4	4	4	4

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

Activity licences had been issued to 335 general pharmacies which had 155 branch pharmacies at the beginning of 2017.

The average number of retail pharmacies in Estonia at 1st of January 2016 was one per every 2669 inhabitants. In most counties the number is below average. However, in Tallinn, Narva and Harju County 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 2016 in major cities and counties compared to the Estonian average



The number of hospital pharmacies remain the same during last years. There were 24 hospital pharmacies and one of them branch pharmacy in 2016. Nine of the hospital pharmacies were located in Harju County, seven of them in Tallinn, three in Ida-Viru County and two in Tartu County. As for other counties there was one hospital pharmacy in each. Valga County and Võru County are the only counties that have no hospital pharmacies.

In 2003–2012 the number of veterinary pharmacies has decreased. There were four veterinary pharmacies in Estonia in 2016: in Tallinn, Tartu, Põlva County and Saare County.

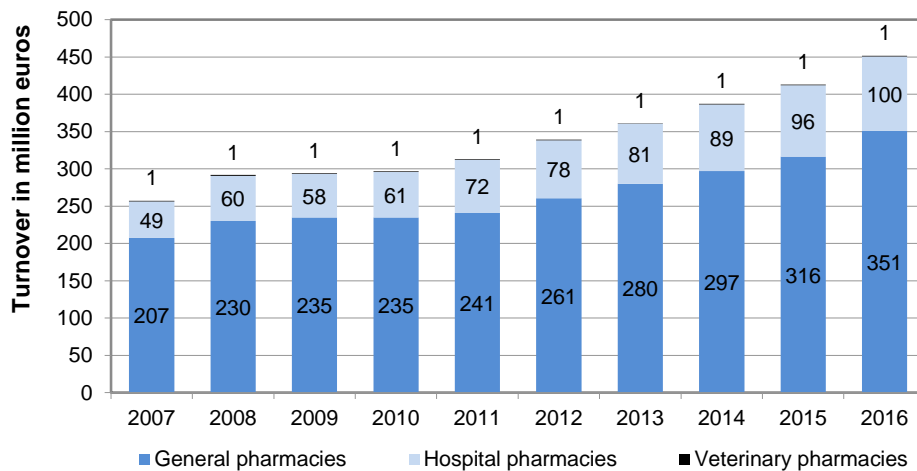


Turnover of Pharmacies

The statistics of pharmacies based on quarterly reports of pharmacies. Since 2015 the data are presented all of pharmacies, main and branch pharmacies. Only the turnover of general and veterinary pharmacies includes VAT (value added tax), the turnover of hospital pharmacies without VAT.

The total turnover of all pharmacies and their branch pharmacies was 452 million euros in 2016. The turnover of general pharmacies was 351 million euros (78% of total turnover), the turnover of hospital pharmacies was 99.7 million euros (22%) and the turnover of veterinary pharmacies was 0.8 million euros (0.2%) in 2016.

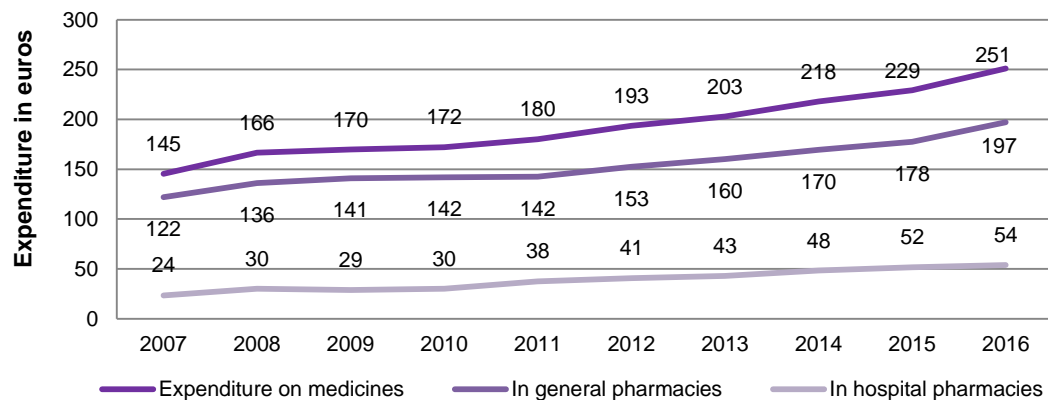
Turnover of pharmacies in 2007-2016



Turnover of pharmacies includes turnover of medicines and turnover of other goods. The other goods sold in pharmacies include hygiene products, medical supplies, medical equipment, food additives, cosmetics, etc. The proportion of medicines of total turnover in general pharmacies is the largest (74%), while 71% in hospital pharmacies. The hygiene and nursing products the hospitals need not include to medicines. The share of medicines in veterinary pharmacies was 44%, mostly sold animal food etc.

The turnover of medicines in general and hospital pharmacies was 331 million euros in 2016. Dividing the amount by all inhabitants of Estonia, the average expenditure on medicines per inhabitant in 2016 was 251 euros per year.

Expenditure on medicines per inhabitant per year in 2007-2016



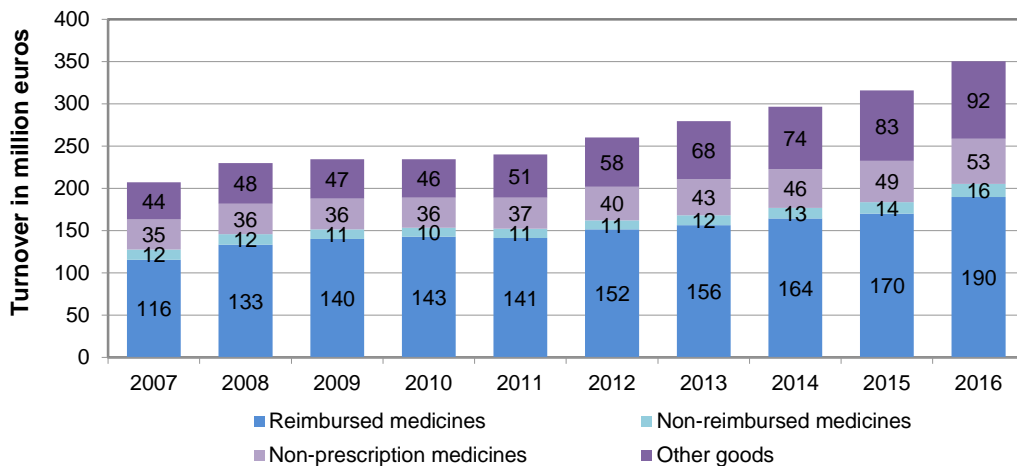


General Pharmacies

In 2016 the turnover of general pharmacies was 351 millions euros, which increased 11% compared to previous year. The turnover of medicines of general pharmacies was 259 million euros in 2016 which increased 11.2% compared to previous year. The turnover of medicines includes sales of non-prescription medicines, prescription medicines and veterinary medicines. The 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 turnover of medicines dispensed on the basis of prescriptions with discounts is the highest (190 million euros) with approximately 92% of the total turnover from prescription medicines.

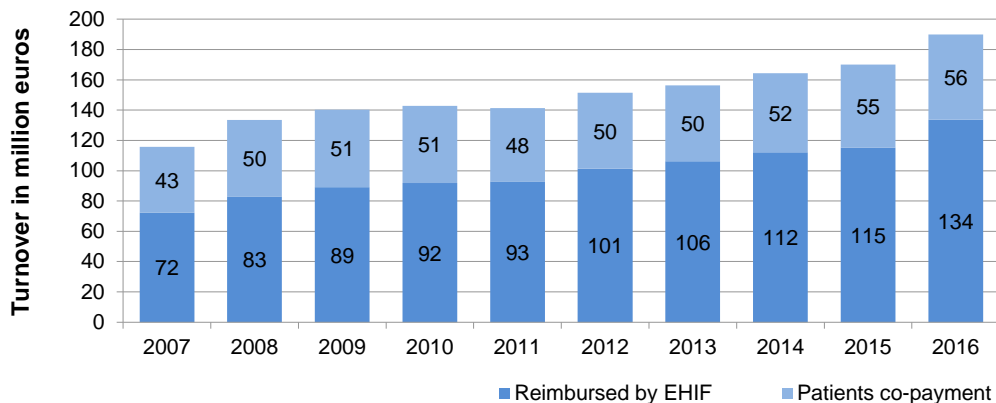
The turnover of veterinary medicines in general pharmacies is relatively modest and remained in 0.7 million euros in 2016. The turnover of medicines of EU prescriptions was 160 thousand euros in 2016. The turnover of the other goods increased 12.5% in 2016 compared to the 2015.

Turnover of general pharmacies in 2007-2016



The cost of prescription medicines reimbursed by EHIF divided as follows in 2016: ca. 30% paid by the patient and ca. 70% paid by the EHIF. 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 2016 was 22.7 euros.

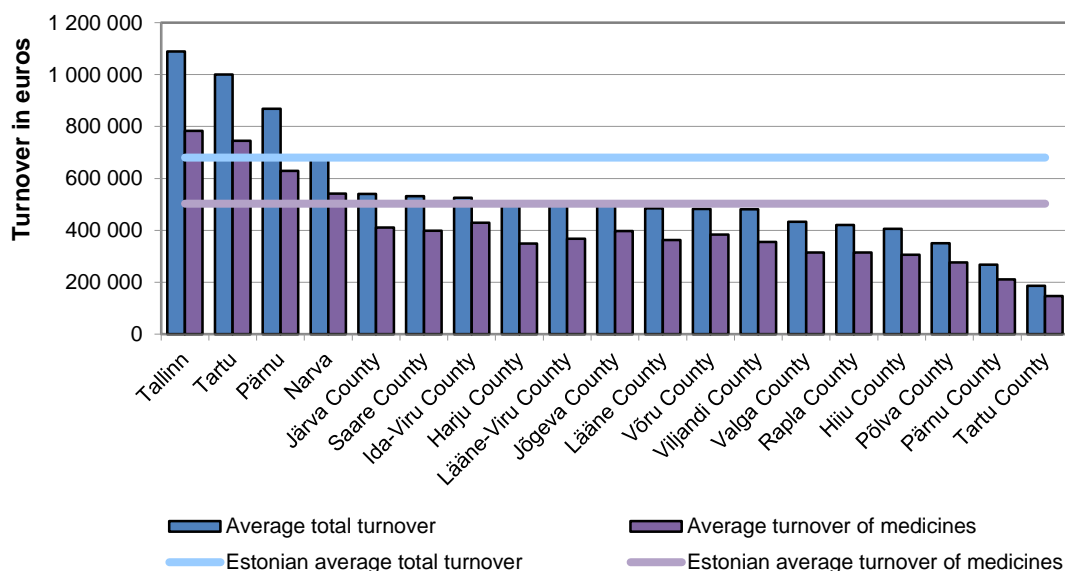
Turnover of reimbursed medicines in general pharmacies in 2007-2016





The average turnover of general pharmacies was 0.68 million euros and the average turnover of medicines 0.50 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, Tartu and Pärnu pharmacies.

Average turnover of general pharmacies in major cities and counties 2016



A quarter of all general pharmacies are located in Tallinn. Almost 73% of all general pharmacies and their branch pharmacies are located in towns and cities.

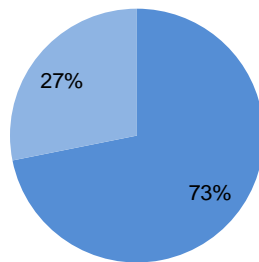
Pharmacies by counties 01.01.2017

City/ County	Main pharmacy	Main pharmacy in the city	Main pharmacy in rural areas	Branch pharmacy	Branch pharmacy in the city	Branch pharmacy in rural areas
Harju County	25	13	12	26	7	19
Tallinn	108	108		18	18	
Hiiu County	3	2	1	2		2
Ida-Viru County	20	19	1	15	13	2
Narva	8	8		9	9	
Jõgeva County	10	6	4	2	1	1
Järva County	11	8	3	1		1
Lääne County	7	6	1	4	1	3
Lääne-Viru County	20	15	5	7	3	4
Põlva County	6	5	1	7	3	4
Pärnu	15	15		4	4	
Pärnu County	9	1	8	8	1	7
Rapla County	7	2	5	7	2	5
Saare County	11	8	3	4	3	1
Tartu	28	28		13	13	
Tartu County	13	4	9	13	1	12
Valga County	11	8	3	4	2	2
Viljandi County	13	13		9	2	7
Võru County	10	7	3	2	1	1
Total	335	276	59	155	84	71
Grand total	490					



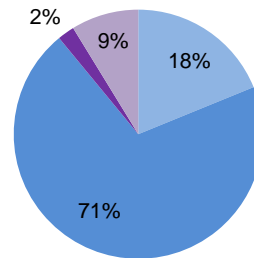
The most of general pharmacies located in towns and cities. The turnover of general pharmacies located in cities was 89% of total turnover of all general pharmacies. Only 11% of medicines has sold in general pharmacies in rural areas.

General pharmacies in 2016



- No of general pharmacies in the cities
- No of general pharmacies in rural areas

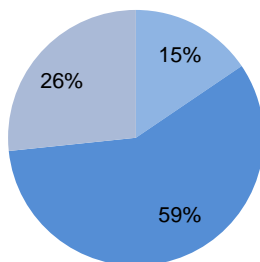
The turnover of medicines in the cities and rural areas in 2016



- Non-prescription medicines in the cities
- Prescription medicines in the cities
- Non-prescription medicines in rural areas
- Prescription medicines in rural areas

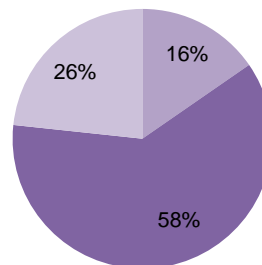
At the same time the distribution of turnover of general pharmacies in cities and general pharmacies in rural areas is similar. The turnover of prescription medicines was the highest, 59% in general pharmacies located in cities and 58% in general pharmacies located in rural areas. The turnover of non-prescription medicines was 15 and 16%. The turnover of the other goods was the same 26% in general pharmacies located in cities and in rural areas.

The turnover of general pharmacies in the cities



- Non-prescription medicines in the cities
- Prescription medicines in the cities
- Other goods in the cities

The turnover of general pharmacies in the rural areas

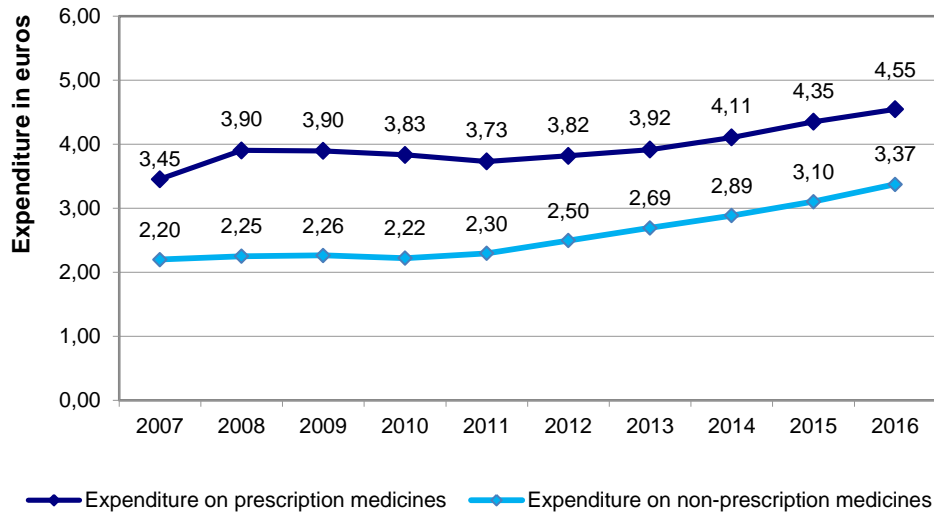


- Non-prescription medicines in rural areas
- Prescription medicines in rural areas
- Other goods in rural areas



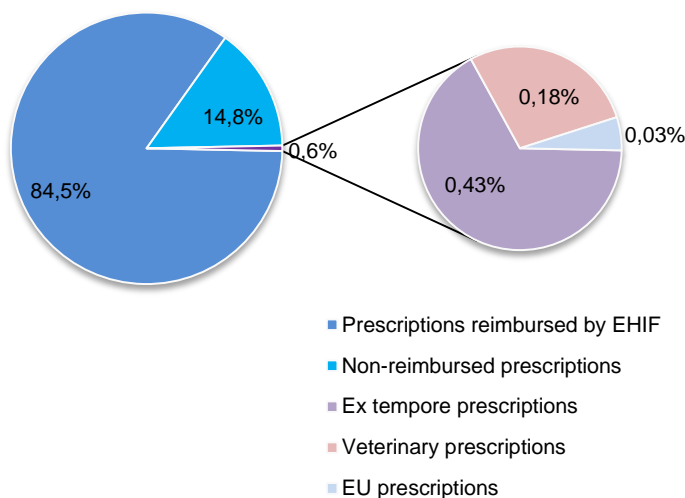
The average amount spent by an inhabitant of Estonia on medicines in 2016 was 7.9 euros per month, almost 95 euros per year. Compared to 2015 the expenditure on non-prescription medicines increased 8.7% and the expenditure on prescription medicines increased 4.5%.

Expenditure on medicines per inhabitant per month in 2007-2016



More than 9.8 million prescriptions were handled by general pharmacies in 2016. The largest proportion was medicines dispensed on the basis of prescriptions reimbursed by EHIF (8.4 million prescriptions). The number of prescriptions without discounts was ca. 1.5 million, while the number of EU prescriptions was slightly over three thousand and the number of prescriptions for medicines prepared *ex tempore* remained nearly 43 thousand. The number of prescriptions of medicines for veterinary purposes was eighteen thousand.

Prescriptions handled by general pharmacies in 2016

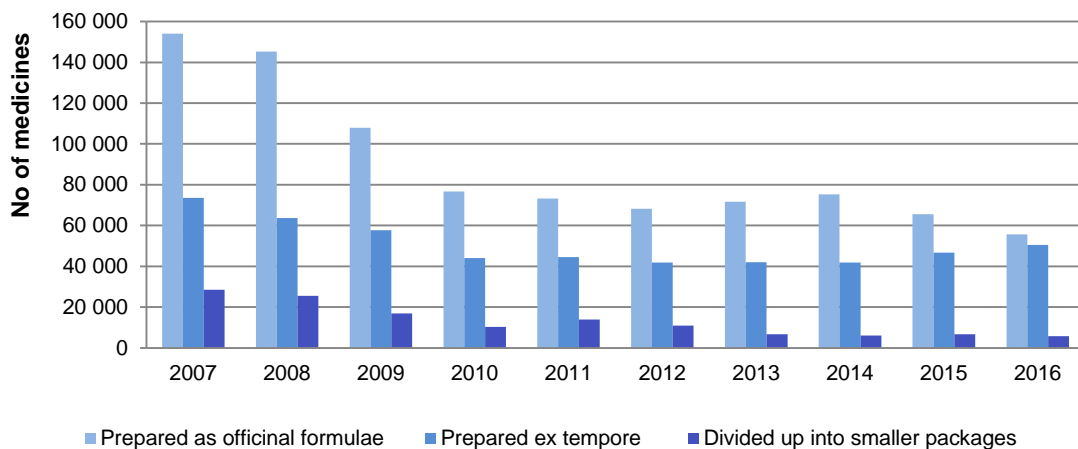




4% of main pharmacies (13 general pharmacies) prepared medicines *ex tempore* or official formulae or divided them up into smaller packages in 2016. 15% of main pharmacies prepared medicines as official formulae, 35% prepared medicines *ex tempore* and 10% of main pharmacies divided medicines up into smaller packages. 62% of main pharmacies did not prepare or divide up any medicines.

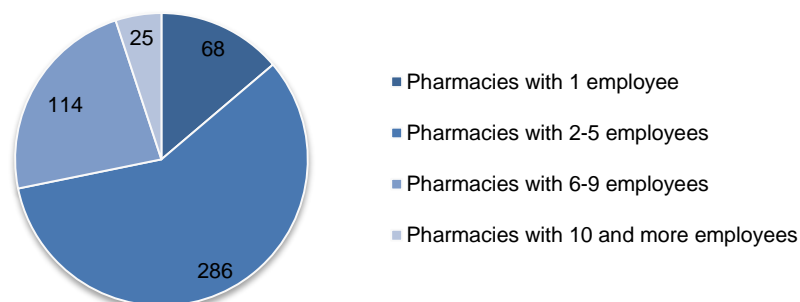
Almost 112 thousand medicine packages were prepared in general pharmacies in 2016, more than 50 thousand of which were prepared *ex tempore*. The number of medicines prepared *ex tempore* was highest in Tallinn, comprising 36% of all medicines prepared *ex tempore* in general pharmacies in 2016. The number of medicines prepared as official formulae was highest in Tartu, comprising 39% of all medicines prepared as official formulae in general pharmacies in 2016. There were five counties (Lääne, Pärnu, Rapla, Tartu and Viljandi County), where no one of pharmacies did not prepared medicines as official formulae. The number of medicines divided up into smaller packages was highest in Tallinn..

Medicines prepared in general pharmacies in 2007-2016



2-5 employees usually work in one main pharmacy or branch pharmacy. 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. 37% of all people working in general pharmacies are employed part-time. Approximately 27% of all dispensing chemists and 42% of pharmacists employed in general pharmacies work in Tallinn. The proportion of dispensing chemists is highest in general pharmacies in Tartu, where it comprises 67% of all general pharmacy employees in the city. Dispensing chemists comprise 41%, pharmacists 33% and other employees 26% of all general pharmacy employees in Estonia as a whole.

General pharmacies divided by the number of employees in 2016

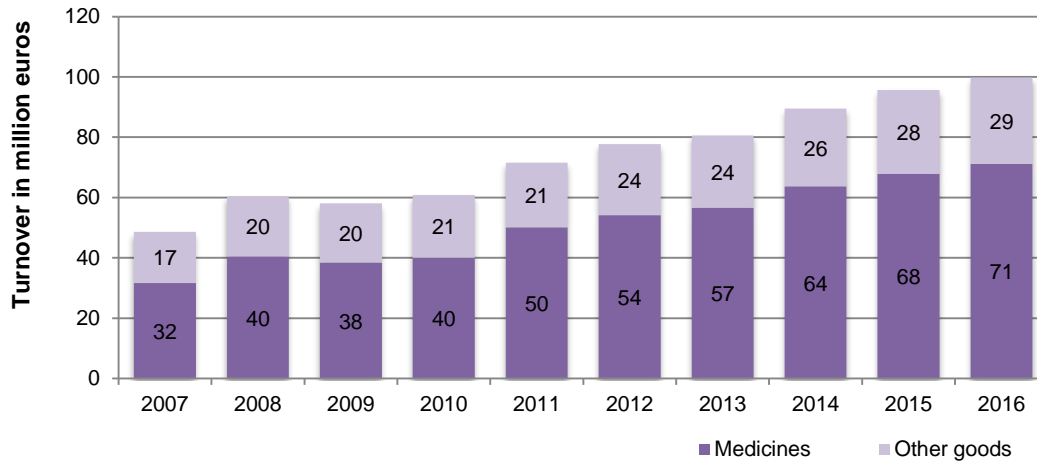




Hospital Pharmacies

The total turnover of hospital pharmacies in 2016 was 99.7 million euros, of this the turnover of medicines comprised 71 million euros (71%). The turnover of hospital pharmacies is calculated without VAT.

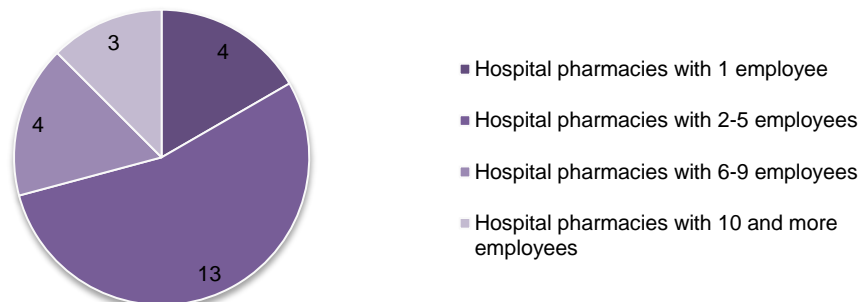
Turnover of hospital pharmacies in 2007-2016



The turnover of hospital pharmacies is very versatile. The annual turnover of fifteen hospital pharmacies was less than one million euros. There are five 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 2016 exceeded five million euros. In total, the four largest pharmacies comprised 76% 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 2016 was 4.16 million euros. When we look at the remaining pharmacies separately from the four largest, we see that the average annual turnover is considerably smaller 1.2 million euros.

The employees in hospital pharmacies are mostly dispensing chemists. 75 dispensing chemists, 38 pharmacists and 34 other employees worked in hospital pharmacies at the end of 2016. 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 2016



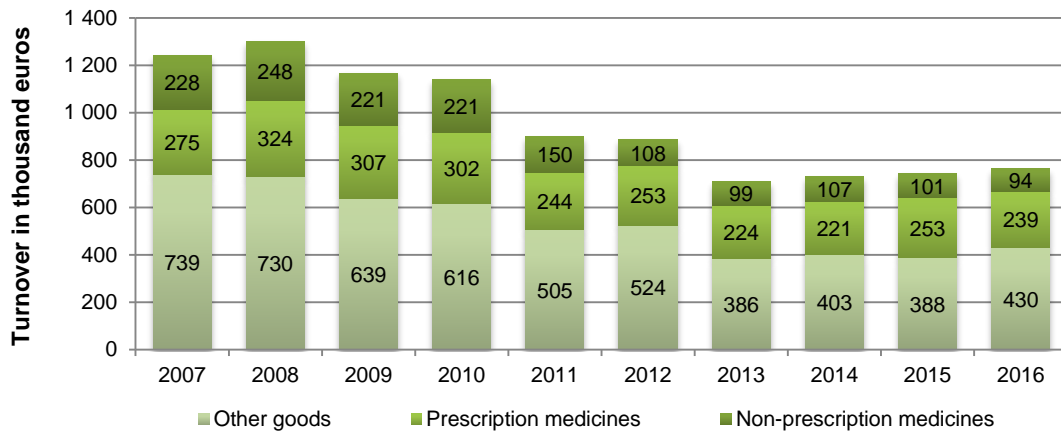


Veterinary Pharmacies

There were four veterinary pharmacies operating in Estonia in 2016. The number of veterinary pharmacies has been decreasing since the end of 2005. One of the reasons for this is the requirement implemented in 2006 by which providers of veterinary services may not be holders of a veterinary pharmacy activity license at the same time. However, a veterinarian may purchase veterinary medicines directly from wholesalers. In 2016 wholesalers dispensed around 87% of veterinary medicines directly to operating veterinarians or veterinarians representing agricultural undertakings, 6% to veterinary pharmacies, 5% to general pharmacies and 2% to other institutions.

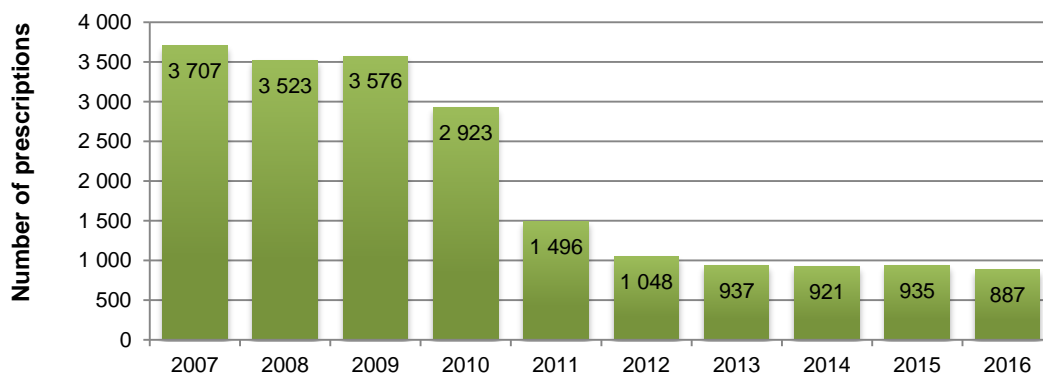
Similarly to general pharmacies, the turnover of veterinary pharmacies comprises turnover of medicines and turnover of other goods. However, unlike general pharmacies, sales of other goods comprise the largest proportion of veterinary pharmacy turnover, which was 56% in 2016. The turnover of veterinary pharmacies decreased until 2013, the very little increase was in 2014-2016.

Turnover of veterinary pharmacies in 2007-2016



Veterinary pharmacies dispense prescription medicines on the basis of order forms and prescriptions. The number of prescriptions handled by veterinary pharmacies has decreased by 76% in the past ten years.

Number of prescriptions handled in veterinary pharmacies in 2007-2016



In 2016 seven veterinarians worked in four veterinary pharmacies.