



The Consumer Healthcare Association

PAGB Highlights 2023



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President foreward

As I reflect on my first year as President, I have been impressed by PAGB's continued drive for positive change and progress to empower self-care.

Throughout 2023 we have seen ongoing issues facing the over-the-counter (OTC) sector, such as challenges with ingredients, supply, and Medicines and Healthcare product Regulatory Agency (MHRA) performance, in addition to navigating through the difficulties of the implementation of the Windsor Framework. Each of these challenges have been met with PAGB's signature determination and expertise, ensuring that our members and external stakeholders receive unparalleled support and guidance. I want to take the opportunity to thank PAGB's CEO, Michelle, for her leadership and collaboration, the PAGB team for all their hard work, and PAGB members for their ongoing support.

Having worked in a lot of markets, I truly believe the PAGB team is leading the way.

2023 saw the publication of the Government and NHS England's *Delivery plan for recovering access to primary care*, where most of our recommendations from the self-care strategy blueprint were taken forward. This was a major achievement, as we finally had the majority of our self-care asks translated into government policy. PAGB also commissioned Frontier Economics to deliver the landmark report *The Economic Impact of Over-The-Counter Products in the UK*, demonstrating our sectors impact on consumers, the NHS and the economy. You can read more about these groundbreaking statistics on page 6.

Some personal highlights include speaking with P3 Magazine about the consumer healthcare industry's goals for influencing government and working with the pharmacy sector, in addition to marking International Self-Care Day with a webinar to launch *The Economic Impact of Over-The-Counter Products in the UK*. I was thrilled to participate in the panel discussion to showcase the current and potential impact of OTCs in the UK. Furthermore, I have also been pleased to play my part in raising important sector concerns and collaborating with key OTC stakeholders, in particular, via bilateral meetings with MHRA.

MHRA's positive response to our feedback and commitment to process improvement deserve special recognition, highlighting a successful collaboration between industry and regulatory bodies.

The progress we've made towards our five-year strategy is commendable, with PAGB consistently demonstrating its role as the authoritative voice of the UK consumer healthcare industry. This has been made possible by the active engagement and contributions of our members to working groups, driving the self-care agenda forward. Your continued engagement is invaluable as we navigate the complexities and opportunities of our sector.

As we look to 2024, and a general election on the horizon, it is important, now more than ever, for industry to rally behind PAGB to support and amplify the fantastic work of the organisation. I am proud to be PAGB President and am committed to doing my bit to ensure that consumers in the UK have the best access to our fantastic products and that we continue to provide the government with insights on how to leverage the opportunities self-care has to offer.



Bas Vorsteveld, President, PAGB

Bas Vorsteveld is Vice President and General Manager Great Britain and Ireland at Haleon.

PAGB Highlights 2023

CEO foreward

2023 was another successful year supporting and advocating for our members. We have continued to share advice and insights with stakeholders and policymakers, driving change in self-care.

We also continued to provide guidance on advertising and regulatory issues as well as promoting best practice.

A key focus of our work was to further the self-care agenda, and as part of that we initiated a plan to reinvigorate reclassification. We were really pleased when this proposal was included in the *Delivery plan for recovering access to primary care*. This enabled us to meet with officials at Number 10 to discuss this area of work and provide support with the implementation of the delivery plan. Our efforts have seen the establishment of a new Reclassification Alliance driving

collaboration between the Department of Health and Social Care (DHSC), MHRA, PAGB, pharmacy organisations and our members, to further identify categories and conditions for switch. We also celebrated 40 years of reclassification, with our first in-person event since COVID-19. We were pleased Dame June Raine joined us as keynote speaker.

The Reclassification Alliance will continue to be a focus for us as we move into 2024, to help us further widen access to medicines.

I was also delighted to be invited to give evidence twice at the House of Lords European Affairs Sub-Committee on the Protocol on Ireland/Northern Ireland for its follow-up inquiry into the Windsor Framework. I was pleased to be able to represent members' concerns and challenges for this vital issue.

In addition to all this incredible work, this year has seen many firsts: we undertook our largest ever survey on self-care, hosted our most well-attended webinar for members, secured more media coverage to date than any other year, and held our first major in-person event after the pandemic.

This report is a culmination of our achievements in 2023 and I would like to take the opportunity to thank the team at PAGB for their hard work over the past 12 months. 2024 looks set to be an exciting year with the potential to push forward the self-care agenda and to ensure the OTC sector's voice is amplified in key areas.



Michelle Riddalls,
Chief Executive, PAGB

Tackling the big issues of 2023

Pressures on global supply chains and a huge increase in demand for cough and cold medicines resulted in a stormy start to the year. There was an unprecedented level of media interest in the OTC sector, and PAGB was at the forefront, navigating ingredient challenges and tackling misinformation on supply.

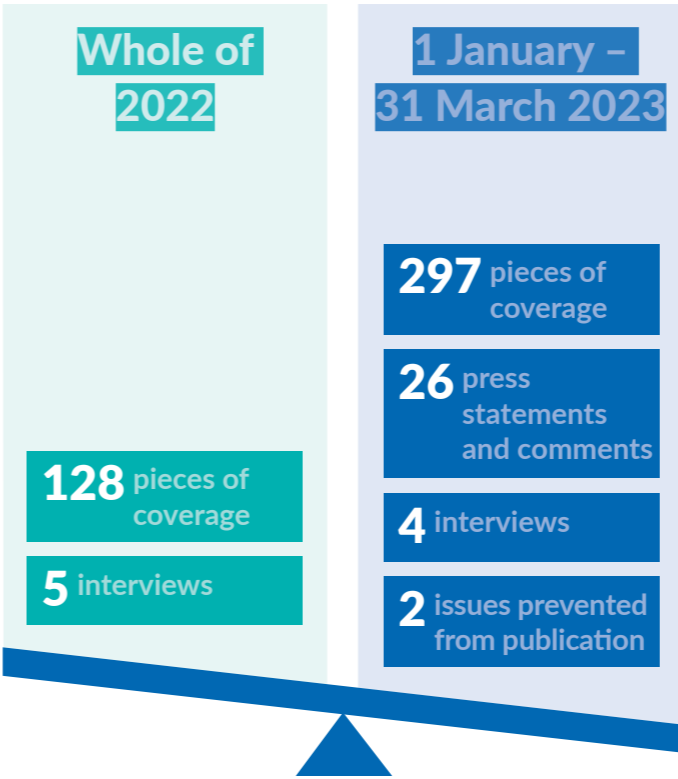
We were able to do this effectively by working closely with our members to collate information on supply as well as connecting with wholesalers and retailers. This allowed us to paint a full picture of the situation and robustly challenge incorrect and misleading press coverage. By presenting the facts, we were successful in preventing the publication of several misleading stories.

Where localised supply existed, we were able to calm the waters by providing media comment and sharing expertise. Our message of self-care encouraged people to speak to their pharmacist for advice to understand the various ways in which individuals could manage their self-treatable condition.

A key part of our success also lay in the relationships that we built with pharmacy organisations, DHSC and MHRA.

The latter proved to be vital in managing the communication and precautionary recall of medicines containing pholcodine.

PAGB worked closely with MHRA and our members to ensure the smooth withdrawal of medicines containing pholcodine from the shelves. We coordinated communications on behalf of members to healthcare professionals to support them in taking appropriate action.



HSIS has continued to inform the debate about food supplements and nutrition, and has tackled and reduced a significant number of negative and misleading media challenges. HSIS has also spearheaded campaign initiatives for vitamin D, driving the need for all round supplementation for vitamin D and continued its women's health strategy with a communications focus on the menopause. Both activity remits included the release of two HSIS reports and an HSIS vitamin D peer-reviewed journal paper, delivering widespread coverage from TV, radio to 22 national media editorials and a total of 60+ pieces of coverage to date. All media outputs included the recommendation for a multivitamin and multimineral supplement daily to bridge dietary gaps.



The consumer healthcare industry in numbers

In 2023, Frontier Economics published a report to demonstrate the financial impact of over-the-counter (OTC) products in the UK.

The figures showcase the reach and positive impact of OTCs. In the UK, 92% of people use OTC medicines to self-care. For every £1 an individual spends on OTCs, they get approximately £4.50 back in quality-of-life benefit.

At least 25 million GP appointments and 5 million A&E visits are made for self-treatable illnesses a year, costing £1.7 billion per year to the NHS. By empowering people to self-care and tackle self-treatable illnesses, we could reduce some of the pressures facing the NHS.



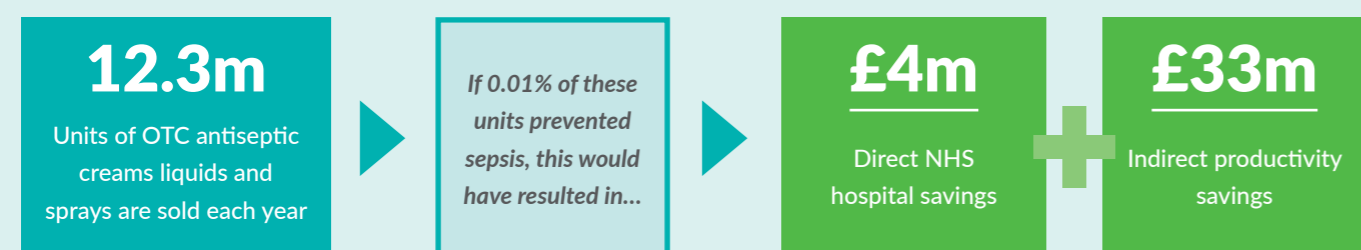
The OTC healthcare sector contributes billions in wages and exports, in addition to helping employees avoid 164 million missed workdays.

Within the UK:

- **£4.3 billion** worth of OTCs are manufactured each year.
- **£2.8 billion** worth of OTCs are exported internationally, showcasing the value to the UK economy.
- Through the use of OTCs, employees avoid approximate 164 million in lost workdays per year, 1.2 billion in lost work hours per year, and £18 billion in lost wages per year.

OTCs can also help prevent serious illnesses. By effectively treating an illness with an OTC at an earlier stage, a serious illness could be prevented from developing, generating an NHS saving and economic benefit.

Potential impact from OTC antiseptic use preventing sepsis



Source: Frontier Economics based on Nielsen IQ, NHS and York Health Economic Consortium data
Note: Figures are annual and for the UK

If OTC's were unavailable for purchase, the NHS could be required to prescribe these medications leading to a:

- **59% increase** in the number of community prescriptions it dispenses; and
- **22% increase** in NHS spend on community prescriptions each year.

If OTCs were not available for purchase an individual may instead book to see a GP. If each current OTC user has one extra GP appointment, and one-in-four had an extra visit to A&E each year this would lead to an additional:

- 50m GP appointments at a cost to the NHS of £2bn, and
- 12.6m A&E visits, at a cost to the NHS of £1.7bn per year.

Take care – of yourself and the NHS:

Our 2023 self-care survey report details the latest data on consumer attitudes to self-care and explores the challenges and benefits of patients taking a more proactive approach to care for common health conditions.

2 in 5 adults requested a GP appointment for minor health issues such as: colds, blocked nose, insect bites and stings, headache.

8% go to A&E for minor health conditions such as dandruff or acne

The most commonly experienced self-treatable conditions were:

59% cold **54%** headache
51% backache **51%** cough
49% blocked nose

People feel most confident self-treating:

81% colds **73%** blocked nose
72% headache **69%** coughs
65% sore throat



Reclassification

In 2023, we developed a major programme of work looking at reclassification, so that more medicines can be made available OTC, empowering patients to self-care and alleviating demand for NHS services.

This began with a proposal to reinvigorate reclassification efforts. To support industry to make more reclassification applications we called for:

- The establishment of a Reclassification Alliance.
- A list of conditions or categories that could be switched.
- MHRA's process to be streamlined to encourage applications.
- Widening the parameters for market exclusivity.

Following these calls we saw several wins for reclassification including:

- A reclassification commitment in the *Delivery plan for recovering access to primary care*.
- Meeting with Number 10 to discuss reclassification.
- The reestablishment of the Reclassification Alliance in September 2023.
- PAGB leading on the Conditions and Categories Workstream.



Other highlights include bespoke support for our members on reclassification, with:

- An active Reclassification Working Group to feed into regulatory policy activities and developing process proposals to share with MHRA.
- Reclassification guidance produced for PAGB members.
- New reclassification training workshops, developed in 2023.
- Bespoke advice pre, during and post reclassification submissions and assessment.
- Advertising advice and support for new launch campaigns.

We have actively celebrated and highlighted the work on reclassification by:

- Hosting a stakeholder event to celebrate 40 years of reclassification.
- Engaging with trade press to raise awareness of reclassification and our ongoing work.
- Providing overviews and support to other trade associations and countries, including Sweden and Brazil in 2023.
- Providing advice to companies outside of the UK via consultancy work.

Milestones in 2023



April

Call for reestablishment of Reclassification Alliance.

May

Reclassification commitment in *Delivery plan for recovering access to primary care*.

June

Meeting with DHSC, MHRA and Number 10 officials to agree reestablishment of Reclassification Alliance.

August

MHRA process workshop.

September

Inaugural meeting of Reclassification Alliance and key workstreams identified.

November

Categories and Conditions Workstream meeting.

December

Celebrating 40 years of reclassification event.

Second MHRA process workshop.

Second Categories and Conditions Workstream meeting.

Highlights of 2023

1 Jan to 31 Dec 2023

Advertising – advice and approvals

5,087 pieces of copy reviewed

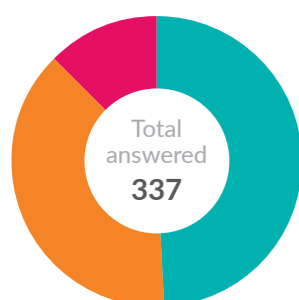
92% returned within response time targets

359 pieces of advertising advice

194 advice meetings

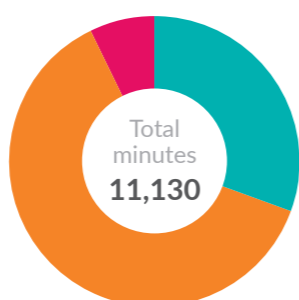
Supporting on regulatory issues

Regulatory queries answered



Medicines	166
Food supplements	129
Medical devices	42

Minutes spent answering regulatory queries



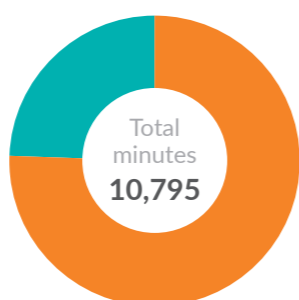
Medicines	3,425
Food supplements	6,910
Medical devices	795

Number of pack design reviews



Medicines	179
Food supplements	168

Minutes spent on pack design reviews



Medicines	2,610
Food supplements	8,185

Ongoing ingredients issues
7

Representing your interests

Stakeholder meetings attended on your behalf



*including meetings on other subjects (392)

Media coverage - PAGB

577 Pieces of coverage

71 Statements and interviews (proactive and reactive)

11 Consultations responded to on behalf of all members

Position papers, guidance, briefings and letters

17 PAGB

4 in partnership

899 Products listed in OTC Directory reaching GPs, pharmacists and other healthcare professionals

Media coverage - HSIS

181 Pieces of coverage

157 Statements and interviews (proactive and reactive)

Keeping you up to date

1,338 Members registered for website members' area

686 Subscribers to member newsletters

333 Regulatory intelligence updates

101 Brexit intelligence via member blog

26 Environment and sustainability updates

Supporting our members

234 Meetings with PAGB - supporting members to excel

45 workshops with **429** participants

8 webinars with **409** attendees

Regulation and advertising

Regulation

The regulatory team has supported PAGB members on seven ingredient issues, ensuring minimal disruption in the supply of medicines, medical devices and food supplements in the UK.

We have continued to support our members on a variety of regulatory issues; this includes navigating through the complexities of the Windsor Framework and new labelling requirements for food supplements. We also monitored legislative changes post-Brexit and engaged with MHRA on regulations for medical devices – providing key updates and summaries for members. Another key project has been focused on supporting the the UK ePI taskforce to ensure digital-first medicines information that is inclusive and accessible for all, in addition developing the electronic Patient Information Leaflet (ePIL) initiative.

We have also continued to see issues with MHRA performance.

Following a member survey, we wrote and submitted a report to MHRA with key OTC concerns.

In May, we held a meeting where we agreed to look at reclassification, product information, and naming/umbrella branding. We were able to input into proposals on product information assessments, and raise members' concerns. We have continued to attend MHRA meetings and provide input on performance concerns, as well as hosting MHRA colleagues at the board and our Regulatory Affairs Group, which has helped to develop closer and more collaborative relations.

We also joined the newly created MHRA Established Medicines Task and Finish Group, to tackle MHRA performance issues. We have also been at the forefront of ensuring the OTC sector is fully considered, reviewing new guidance and procedural proposals.

Advertising

Following continued engagement with members we introduced a new Microsoft Teams booking system to make meetings with the advertising team easier than ever. This has led to calls to the advertising team in 2023 increasing by a third in comparison to 2022.

“These are brilliant and can be booked at short notice and there’s always good availability. All colleagues we’ve had calls with have been really happy to listen and collaborate. These have been great when we’ve had challenges, pushback or wanted to explore opportunities and ideas.”

Member quote on the new booking system

Building on the successful expansion of tool kits in 2022 to facilitate self approval for advertising copy, last year we simplified the process to reflect member feedback. As a result, we now have all the largest copy producers signed up to use tool kits and look forward to rolling this out further.

A number of members raised concerns over the online advertising of prescription-only-medicines, in breach of the Human Medicines Regulations. Liaising with our members, we have agreed to work directly with regulators and engage with key platforms to move the issue up their agenda, and push for stronger deterrents against repeat offenders.

Policy and engagement

We have influenced across several key areas in the policy landscape on behalf of our members, including Brexit, MHRA performance, and environment and sustainability.

Brexit

We gave evidence twice to the House of Lords Committee. In early 2023, we called for a negotiated solution on outstanding issues for Northern Ireland in relation to medicines and medical devices. In September, we returned to acknowledge the positives of the negotiated solution, highlight further confusion and concerns over timings for both medicines and food supplements, and a lack of solution specifically for medical devices.



We developed a briefing for members on the Windsor Framework featuring clarification points and shared with other key stakeholders including DHSC and MHRA. This led to further discussions on what would be needed in relation to guidance, and we continued to input into draft guidance for the framework, gaining international recognition.

We were concerned about some of the initial requirements MHRA had included in their initial guidance on the implementation of the framework. We provided data from members about the potential implications and as such were able to influence MHRA and DHSC for the removal of electronic common technical document (eCTD) requirements in making submissions by the end of December 2024. This was a challenging initiative and we were pleased to be successful in getting the requirement amended following the concerns raised by our members.

Environment and sustainability

This year we launched our first meeting of the Environment and Sustainability Working Group and undertook several areas of work within this arena, including feeding into a Green Paper developed by Baroness Bennett on pharmaceuticals in the environment. Through our support of the cross-industry ePIL initiative, we have continued to liaise with the Department for Environment, Food and Rural Affairs (Defra) and the Environment Agency. Throughout 2023, we have shared key information with our members and have supported Defra with the roll out of recycling symbols onto medicines packaging.



Self-care

We have made great strides in our self-care programme of work. After many years of campaigning, and thanks in particular to the work of the Self-Care Strategy Group, the Government published the *Delivery plan for recovering access to primary care*. We were delighted that seven out of the nine recommendations in the strategy blueprint were committed to.

To ensure that the implementation of the *Delivery plan for recovering access to primary care* delivers benefits for self-care, together with the Self-Care Strategy Group, we developed an implementation guide to support successful execution.



As part of our promotion of self-care internationally, we presented at LIF, the Swedish Association of the Pharmaceutical Industries conference in Sweden, took part in a webinar hosted by our counterparts in Ireland, and participated in a podcast interview with the Austrian consumer health trade association.

We also engaged in an information sharing mission at the Brazilian Embassy, with MHRA and the Brazilian medicines regulator and trade association.

Following on from our first digital audit in 2020, which sought to understand how NHS digital tools evolved in response to the pandemic to support self-care, we revisited this work to uncover trends and notable changes. Our digital audit 2.0 focused on the extent to which NHS digital tools encourage and support self-care. We also considered best practice examples that already exist outside of the NHS to support recommendations to further improve the capability of NHS digital tools to support self-care. This work has been of particular interest to parliamentarians and NHS stakeholders, helping to ensure that self-care remains high on the political agenda.

Using publicly available sources and parliamentary questions, we developed a self-care tracker that provides a comprehensive map of self-care locally. As part of this, we obtained data on the number of GP and A&E visits for minor ailments and identified regional variations. This data has helped us in our lobbying efforts and engagement with parliamentarians, as we can identify where self-care practices are working and where they need improvement.

As we look to 2024, PAGB is has developed a self-care manifesto that asks a future Government to:

- 1 Improve patient awareness and confidence in self-care.
- 2 Leverage digital tools to better support and promote self-care.
- 3 Create a supportive self-care environment, empowering community pharmacies to promote self-care.



Informed by the self-care tracker data, and equipped with the self-care manifesto, PAGB and our members are ready to engage with parliamentarians, policymakers, and a new Government.



The consumer healthcare market in 2023

Economic context

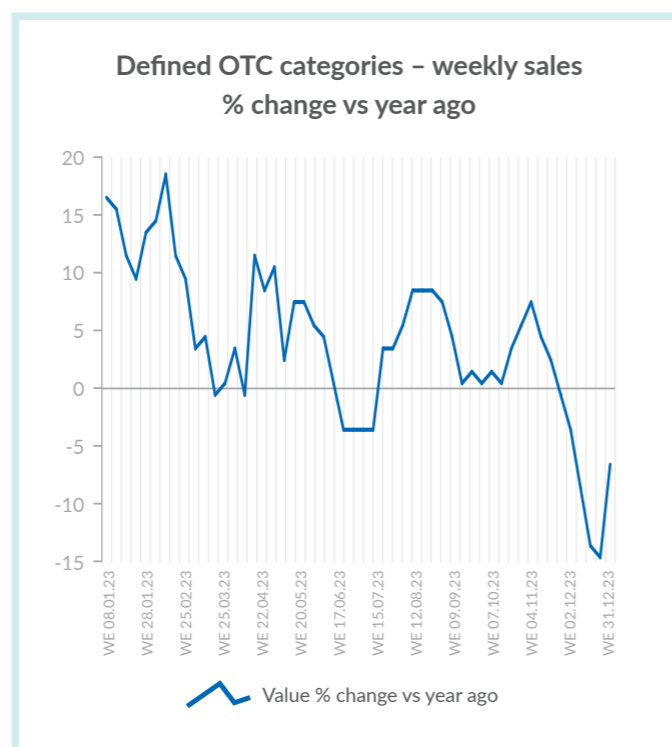
2023 brought continued but slowing inflation, as shoppers continued to grapple with rising costs across the board. Following the initial inflation shock in 2022 and subsequent inflation rate hikes, the last year has forced consumers to be more calculated with their spending habits to adapt to new lower living standards. Reprioritisation has led to omni-channel shopping strategies, private label share gains and deal hunting amongst UK shoppers.

The most recent official forecasts¹ predict another slight drop in real disposable income per person in the coming financial year, before starting recovery in 2025 as wages catch up. It is expected that real disposable income per person, which measures national living standards, will not reach 2019/20 levels again until 2027. The implication of this outlook is that current calculated spending habits will become refined and develop into long term preferences.

OTC overview

Unit decline, price growth, impact on value

Inflation hit the OTC healthcare sector again in 2023, with the average price up 8% on the previous year. This has driven a 4% increase in value sales, but unit sales are down 4%.² The trended view follows a negative sales trajectory throughout the year, beginning with a growth spike in January and February and ending with a dip in November and December, as we lap on that huge flu season that ended 2022 and kicked off 2023. This was an inevitable year-on-year trend due to intense, and often flawed, media reports on cough and cold medication shortages, as well as panic around a “triple-demic” toward the end of 2022.



Total value sales in 2023 grew **4.0%**

but unit sales are down by **4%** ↓

NHS waiting times driving need for self-care over remedy

The number of NHS patients waiting over 12 hours in A&E from “Decision to Admit” to actually being admitted peaked in October at a record 44,655 people³. For context, this number was just 725 for the same month in 2019. Well-documented NHS waiting times create a need to treat the public through other avenues, such as OTC self-care, sickness prevention and accessible holistic health information.

Category trends

Reactive vs preventative healthcare

The cough, cold and sore throat category sold 7% fewer units in 2023, as a result of a milder flu season and reduced media attention. This category’s performance is largely dependent on instances of sickness, as opposed to marketing levers such as price and availability. Actionable growth opportunities across the wider OTC sector lie elsewhere in elevating consumer health, rather than remedying temporary dips in health. This is particularly true for younger shoppers (<35), who are more likely to consider vitality and weight management to be the main benefit of a health diet⁴. Future OTC growth lies in improving quality of life, while cough, cold and sore throat is largely at the mercy of sickness circulation.

Affordability sparking positive health spiral

Volume sales of alcohol and tobacco continue to tumble⁵ due to tight budgets, heavy taxes and cultural shifts away from these products by younger shoppers. Affordability is driving shoppers away from categories that have proven to be detrimental to public health. The healthcare sector is poised perfectly to become intertwined in this positive health spiral, but the industry needs to learn how to communicate with a complex younger generation. As information consumption soars, attention spans dwindle. How can we get the relevant information on the right screen, at the right time, for the right amount of time, to drive the purchase?

Channels

Pharmacy closures and risks to elderly

Pharmacy closures, particularly multiple pharmacies (as opposed to independents), have been steadily reducing for the last couple of years, but the closure of 237 Lloyds pharmacies in June 2023 accelerated this trend⁶. Rising operational costs, staff shortages and reduced government financial support are pushing physical pharmacies more and more outside the realm of financial viability. While this is likely to move spend online, the industry needs to be careful not to ignore those most in need of support. Older generations are less likely to have the access or knowledge to navigate the world of online pharmacies.

Online opportunities but likelihood of regulation

While online pharmacies provide a new route to market and address the shopper need for convenience and discretion, there are concerns around prescription access. A recent BBC investigation found that investigators were able to buy 1,600 prescription-only pills across 20 online pharmacies by entering false information that went unchecked⁷. Highlighting this risk early in the year increases the chance of heightened regulation in this space to come in 2024.



Alex Heffernan, NiesenIQ
Insights Manager | Health, Beauty, Personal Care & Home.

- Office for Budget Responsibility Economic and Fiscal Outlook, November 2023
- NIQ Scantrack, Total Market, 52 w/e 30.12.2023. PAGB defined OTC categories.
- NHS A&E Attendances & Emergencies Admission Statistics, 11.01.2024
- NIQ Homescan Survey Nov 2023. “Which do you think is the main benefit of a healthy diet?”
- NIQ Scantrack, Total Market, 52 w/e 30.12.2023
- NIQ Scantrack, OTC Chemists, 52 w/e 16.09.2023
- Prescription drugs sold online without robust checks - BBC News

The consumer healthcare market in 2023



Source: NielsenIQ. Total Market MAT to WE 31.12.23 NielsenIQ's OTC read was defined by NielsenIQ in agreement with PAGB and its members. It covers over 75,000 stores, including multiple and independent chemists, grocery retailers and in-store pharmacies, as well as impulse stores.



NielsenIQ (formerly known as Nielsen Global Connect) is a business unit of Nielsen holdings plc (NYSE: NLSN), a global measurement and data analytics company that provides the most complete and trusted view available of consumers and markets worldwide
www.niq.com

Data and insight referenced in this review is taken from NielsenIQ's different sources

NielsenIQ is an associate member of PAGB.

% change in value sales of OTC products 2023 v 2022 (£)

