

# Big Pharma running scared

Posted Mar 09 2009, 01:29 PM by Kim Peterson

Rating: 

Filed under: [Kim Peterson](#)



Big Pharma is running scared.

Drug companies are rushing into each other's arms these days to unite against some difficult years ahead for the industry. The credit markets are dried up and the political and economic landscape is changing. The mergers are a defensive move as companies find their bottom lines increasingly under assault.

Here are some of the problems drug companies face:

1. Patents expiring. Companies need to find replacements as their drugs lose patent protection. Merck's asthma drug, for example, loses its patent in the next few years, [according to The Economist](#). By buying Schering-Plough, Merck will double (to 18) its number of late-stage development drugs.
2. Obtaining financing. Yes, even well-established pharmaceutical companies are struggling with finding new capital and restructuring debt.
3. Costs are too high. Consolidation allows drug companies to lay off more employees and keep costs in control. Merck is expecting to cut 15% of the positions in the combined company.
4. Sluggish sales. People are learning to mistrust BigPharma. Generics have been killing sales of drugs like Fosamax and Zocor for Merck. And cash-strapped consumers are cutting back on spending, even when it comes to their own prescriptions. Analysts have been pressuring Merck to do a major deal in response to falling sales, [according to The Associated Press](#).
5. Political pressure. We're still unsure where President Barack Obama's administration is headed in terms of health care, but drug companies may be pressured to offer bigger discounts, according to The Economist.

Mergers are an easy option in times like these, particularly because valuations are so cheap. They don't fix everything, but they address short-term problems and, in this economy, just surviving the next few years is what's important.

Merck investors weren't exactly rejoicing over the news today. Shares were down nearly 8%, while Schering-Plough shares were up about 10%.

The drug companies have made a fortune off of use all to the point our health has suffered at their expense. It is time that they lower their incomes so that we can survive.

Mae Hasty (Posted 03.09.09 6:48 PM) [Report Abuse](#)

I don't feel very sorry for these people. They have made a lot of money off of people in good years and I find it deplorable that they make \$200 pills for various diseases care. i.e cancer. Who can afford that? And when I was told that they found it easier to let someone expire than help them. My blood boiled. I know it costs a lot to make, but it doesn't cost that much. It should be cheaper. Period.

If someone can't get a 10 million dollar bonus this year, do you think I care?

I could use a million too.

Douglas (Posted 03.09.09 7:02 PM) [Report Abuse](#)

My 19 year old son pointed out to me, a Nurse- who always believed that we would find a cure for cancer, aids, etc..... "Mom, the drug companies will NEVER let a cure be found because it is more profitable for them to continue to treat the illnesses, EVEN if people die from the disease" I don't know which is sadder, the fact that he, at 19, felt this way about drug companies, or the fact that HE realized it and I didn't.....

Cathy - Ian's mom (Posted 03.09.09 8:59 PM) [Report Abuse](#)

OK for Ian: He is in my category where we know the pharmaceutical companies have CONTROLLED the public's knowledge that synthetic drugs hurt ALL people.

Genetic (or NATURAL SUPPLEMENTS) harm very few.

The time has come to close the doors of the Drug Companies.

Woody (Posted 03.09.09 9:19 PM) [Report Abuse](#)

How about a little critical thinking Mae Hasty, Douglas, Cathy-Ian's Mom.....Please Mae Hasty, name for me the Soviets & Cuban addition to the drug pipeline (w No profit involved). That's because there were none...Doug, perhaps you would like to just "go without" a non profit can CURE the world & Cathy- Ian's Mom, perhaps you could just have your son solve the world's

ills. The bad drug companies (which I guess are all made up of bad people would never develop the cure for cancer, no one would pay for that, right.....Just once I'd love to hear you all wax poetic about "Big Education" after all it HAS risen more than the cost of "Big Pharma". Green Day was right, we are "American Idiots." Be careful what you wish for...

Ric (Posted 03.09.09 9:38 PM) [Report Abuse](#)

No sympathy from me about pharmaceutical companies. They have made millions of dollar at our expense. For instance Type 1 diabetes, providing insulin is one of their biggest sellers, the companies would rather sell the drug than seek a cure.

Deborah Flickinger (Posted 03.09.09 9:52 PM) [Report Abuse](#)

Everyone argues about the cost of drugs. However the cost to produce the first pill is close to 1 billion dollars. That is the research and legal fees. The drug companies only have about 10 years to make up the cost and make a profit. The are obviously greedy companies.

Tony Boca (Posted 03.09.09 10:41 PM) [Report Abuse](#)

all of you enjoy pharma company bashing and take pride in "knowing" so much about the cures and cost of healthcare. Do you really know anything about these subjects or are you hypothesizing with NO EVIDENCE or facts? Just verbal diarrhea of which there is obviously no cure!!! I work for a small pharma company. We are made up of GOOD people, who worked hard to get their job not like many Americans who expect to get high pay for NOT working hard. What would you say is the answer....we all pick herbs and do our own pharmaceutical experiments??? you all make me sad to be American. Again, it is proof that we dont appreciate the great things we have access to in this country. You're all winners! Like it or not we need medications (that cost a hell of alot to buy and research and develop). Maybe america should wake up and be more healthy by making wiser lifestyle choices. The generic companies are not heroes ...they are taking and stealing a product copycat and selling it cheaper. That is sooooo American isn't it?!! make profit of others hard work.....educate yourself before you formulate an opinion, and a 19 yr old doesnt have all the answers even though they think they do!! heeeellllo!!! i know I was one of them before.

Jennifer (Posted 03.09.09 10:48 PM) [Report Abuse](#)

Lets see now. The Doctor gets a cut, the drug store get a cut, the sales people get a cut, the sub drug suppliers get a cut and of course we pay the price. The cancer foundation gets billions since 1945 and all you people continue to pay. I am on the wrong side of the fence. So, I also pay. The pharmaceuticals have the Federalis on their side. We cannot run to Canada or Mexico and buy Generics without a have penalty. We are just finacial slaves and on the way to the grave. An ugly pattern to follow. All the people above are certainly right and I wish them well. Thanks for all your time.

Peter D. (Posted 03.09.09 11:02 PM) [Report Abuse](#)

President Obama inherited one incredible tsunami economic meltdown in modern history. Factor in lack of cooperation from the Republican party and disingenuous comments that they support and want to work with the President. And at every turn that provide opposition to his strategies, policies, and programs which are design to combat the current economic crisis that we find ourselves connected to as a result of the Bush Administration legacacy. Clearly, economic ownership for the country's current contraction and slowdown which is traced back to 2006-2007 has to be laid and firmly connected to poor Republican policies. Most clear thinking people should express outrage towards the Republicans who are now stubbornly undermining every decision and policy President Obama provides for the economic recovery and for curtailing the contraction that should have never happened had only the Republicans not approved the greedy, malfesances, abusive practices in the past. Ignoring proper oversight, and appropriate regulatory rules which might have help to avoid having the "house on fire" dilemma that President Obama is compelled to provide leadership and solutions.

Nobody asks the simple question 'do synthetic drugs really work vs Placebo, work means promote health not just symptom control addiction". the answer is that they do not the major false belief of our day is that men can make things compatible with nature. Our society has learned that synthetic foods are bad, they produce side effects and disease. The best cook uses the finest quality natural products, he knows the problems of synthetics. Society is waking up to the fact that it is also true for our medicines, but no news service will cover this message. No reporter will cover this, no scientist research this. Money rules. It is questionable if this comment will not be displayed. Nobody researches natural medicines, no one questions the corruption of the drug companies, and the FDA looks the other way as Big tobacco, Big Sugar, and especially Big Pharm kill millions of millions. Medicines should not kill. The FDA focuses on eliminating drugless therapies. That's the problem, nature is the answer. Health care is not for health, it is disease care. Disease is promoted through dependency on synthetic medications, bad diet, smoking, excess stress, and complications from the drugs. The system makes money on disease, not on health. What we have is Disease care Profit care. What we need is this message to be posted, fat chance.

Franklyn Horspet