

Pharmaceutical Sector of Pakistan

Pakistan has a very vibrant and forward looking Pharma Industry. At the time of independence in 1947, there was hardly any pharma industry in the country. Today Pakistan has about 400 pharmaceutical manufacturing units including those operated by 25 multinationals present in the country. The Pakistan Pharmaceutical Industry meets around 70% of the country's demand of Finished Medicine. The domestic pharma market, in term of share market is almost evenly divided between the Nationals and the Multinationals.

The National pharma industry has shown a progressive growth over the years, particularly over the last one decade. The industry has invested substantially to upgrade itself in the last few years and today the majority industry is following Good Manufacturing Practices (GMP), in accordance with the domestic as well as international Guidance. Currently the industry has the capacity to manufacture a variety of product ranging from simple pills to sophisticated Biotech, Oncology and Value Added Generic compounds.

Although Pakistan's pharmaceutical and healthcare sectors are expanding and evolving rapidly, about half the population has no access to modern medicines. Clearly this presents an opportunity, but much more work needs to be done by the government and industry's stakeholders. Pharmaceutical spending accounts for less than 1% of the country's GDP, comparable to levels in some neighboring countries but above that in some of the South Asian countries.

The Pakistan pharma industry is relatively young in the international markets with an export turnover of over US\$ 200 Million as of 2015. Pakistan Pharma Industry boasts of quality producers and many units are approved by regulatory authorities all over the world. Like domestic market the sales in international market have gone almost double during last five years.

Pakistan's global exports of Pharma

Importers	Exported value in 2013	Exported value in 2014	Exported value in 2015
World	169467	198599	212692
Afghanistan	42520	59903	73899
Sri Lanka	17495	18148	22137
Philippines	11941	15943	15031
Viet Nam	13853	16168	14870
Sudan (North + South)	8307	8516	10303
Lithuania	8907	6996	7664
Myanmar	5948	7654	6661
Kenya	4477	6153	6024
Nigeria	5990	6178	5503
Cambodia	1857	3148	3630

Unit:US thousand dollars

Source: ITC, Trademap

The Pakistani market represents only one-third of 1% of the total world pharmaceutical market but its annual growth rate is twice as fast. The market is evenly split between national and multinational companies.

It is pertinent to mention here that Pakistan imports around three times more pharmaceuticals than it exports. While imports come from all over the world, exports mainly go to a small number of African countries. The Pakistani pharmaceutical industry has not yet attained a satisfactory share of the national market when compared to other Asian markets.

Pakistan has not yet taken a position in the international market that would be commensurate with the size of the country and the undeniable professionalism of its pharmaceutical industrial personnel.

Pakistan has a negligible presence in the global pharmaceutical industry of almost \$1 trillion that is expected to grow to \$1.1 trillion by 2015. Pakistan's pharmaceutical industry stands at a little over \$2.1 billion with exports of roughly \$190 million. The cumulative annual growth rate of pharmaceutical industry has been 12% during the last three years and local companies launched 2,956 products from 2008 to 2012 as compared to just 193 products by multinational companies.

Due to low population penetration rate of the healthcare, sales do not show seasonality and remain flat, generally. Major international players in Pakistan are GlaxoSmithKline Pakistan, Johnson & Johnson, Aventis Ltd., Abbot, Novartis, and Pfizer etc. Establishment of research and development department in every pharmaceutical industry and proper utilization of central research fund can improve this industry.