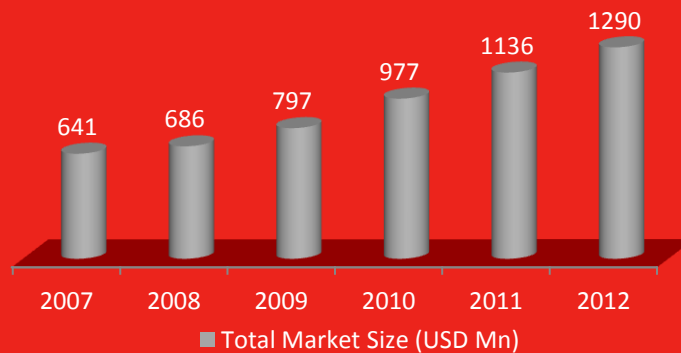


## Pharmaceuticals Industry of Bangladesh



Producing Branded generic formulations industry of Bangladesh have positioned itself as a leading example among LDCs. Comprising almost 8000 generics under 22000+ brands, the industry presently meets 98% of local demand, while exports to 87 countries. Over last five years, the industry grew at a CAGR of 15%, surpassing both regional and global growth. As of 2012, industry size reached approximately BDT 100 Bn.



*Industry growth takes a slump to 13.56%*

*Core segments heading to saturation domestically*

*Exports book 28% YoY growth*

*Backward linkages still underdeveloped*

*Patent Cliff opens broader growth opportunity*

*Concentrated Market structure remained unchanged*

## 2013 UPDATE: PHARMACEUTICALS INDUSTRY OF BANGLADESH

### INDUSTRY AT A GLANCE

<b>Industry Category</b>	: Healthcare
<b>Industry Type</b>	: Branded Generic Formulations
<b>Industry Size - 2012</b>	(BDT Bn)
Domestic Market	94.04
Export	5.40
Export Destination (Countries)	87
<b>Industry Growth</b>	(%)
<b>2012 Growth</b>	<b>11.90%</b>
<b>CAGR (2008-2012)</b>	<b>17.10%</b>
<b>Industry Breadth</b>	<b>No of Players</b>
Clinical Research	0
API & Raw Materials	21
Finished Formulations	267
<b>Industry Depth</b>	
API	41
Branded Generics	8000
Brands	22913
<b>Market Structure</b>	<b>Concentrated</b>
	Market Share
Market Leader (SQURPHARMA)	18.63%
Top 5	46.25%
Top 10	68.21%

Data Source:  
IMS, World Bank, DGDA, Bangladesh Bureau of statistics,  
IDLC Research

After posting 20%+ growth for two years at a row, industry growth lands to 14%, making 2012 a moderately good year for Bangladesh.

The local market registered 11.9% growth, while market size approached BDT 100 Bn benchmark. In the meantime, Export boosted up with a 28% YoY growth, while export volume surpassed BDT 5 Bn within 2012. Destination for products also kept increasing, from 84 countries in 2011 to 87 countries in 2012.

Composition of Top 10 was unchanged, except for some movements in ranks. Square pharmaceuticals continued its 27-year streak of being the market leader, but competition seems to take edge over the leader, as the company lost 0.08% market share in 2012, presently holding 18.63%. Meanwhile, Renata topped growth amid top 10 companies with a 28.57% YoY growth.

In the meantime, consolidation strengthens further within the industry, with Top firms continuing to strengthen market share. Presently top 10 firms hold 68.21% of the industry, and top 20 hold 85.52%.

During 2012, industry stabilized after industry wide price adjustment in H2 2011 on the wake of cost pressure. In addition, exchange rate stabilization as well as moderation of volatility in financial system helped improve businesses. However, high interest rate and tightened credit growth caused problems in business growth.

During 2012, some significant advancement in clinical research and healthcare took place. An initiative between Canada and Bangladesh was taken to set up a Bio-Equivalence Lab in Bangladesh within 4 Years. In addition, govt. undertook a hospital accreditation system to improve healthcare standards in the country. Meanwhile, procedural delays prolonged implementation of proposed API Park in Munshigonj.

Relaxation of TRIPS and a growth supporting regulatory framework still remain as core dynamics of the sector. However, industry prospect largely depends on coping up with the challenges and utilizing the opportunities. Especially, developing strong backward linkages and having macroeconomic stability would be key development areas for the sector in years ahead.

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