

## **Investing in Pharmaceutical Manufacture in Pakistan: Public Private Partnerships**

### **Opportunity:**

The size of the pharmaceutical market in Pakistan is Rs.101 Billion (USD 1.2 Billion) and it is growing at a rate of about 12 - 15% per annum. There are presently 448 manufacturing units in Pakistan and there are 28 multinational companies operating in the country which have a 50% market share, suggesting that the market is quality-sensitive. Export of pharmaceuticals is limited, presently worth only USD 100 million, and these are destined mainly for African, Central Asian and South-East Asian countries. European, Australian and American markets remain beyond the industry's reach owing to lack of the requisite manufacturing standards. Amongst the manufactured exports, pharmaceuticals rank seventh but more impressive is their growth which is twice the overall export growth of Pakistan. There is a need for manufacturing facilities in Pakistan that are of standards that would lead the way into the quality segment of the sector with approval of developed regulators such as TGA of Australia, MHRA of UK, EMEA of EU and FDA of US. The growth of the generic prescribing in these regulated markets presents great opportunity for quality manufacturing and the demand in the US will rise exponentially with the introduction of healthcare reform in that country.

### **Strength:**

With a tradition of half a century and over 400 manufacturing plants, pharmaceutical manufacturing has a strong base with over 160,000 highly skilled employees. Over 30 faculties of pharmacy and many allied disciplines feed this industry and it is technically capable of formulating almost all forms of drugs and medicines like tablets, capsules, injectables and others.

### **Weakness:**

Pharmaceutical basic raw material (manufacturing) Industry is the backbone to the finished drug (formulation) industry. Despite development of the formulation industry, there has not been a corresponding development in the manufacture of basic raw materials needed to support the manufacture of pharmaceuticals. Nearly 92% of basic raw material is being imported in large quantities from USA, UK, Germany, Japan and China at relatively high cost in comparison to our neighboring countries.

**DESCRIPTION:**

The proposal for Public Private Partnership aims at the establishment of a quality assured and cost effective pharmaceutical manufacturing cluster which will be export oriented and lead the way to penetration into the highly regulated markets. The Government would contribute by infrastructural development of a suitable peri-urban site for the pharmaceutical cluster of eight to twelve high-end manufacturers. The development would be the responsibility of National Industrial Parks, a State industrial estate development company. The cluster would provide not just utilities but common facilities such as provision of USP grade water, an accredited analytic laboratory that is capable to perform all the tests that are required in the Common Technical Documents, (CTD) as called for in by the International Conference on Harmonization and a center for conducting stability studies.