



PHARMSOL NEWS

A REALIGNMENT IN PRODUCT PORTFOLIO

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Dynamic Global Market & Breaking the Tradition!

In general, most of the big generic companies have been targeting the world's biggest market the USA for earning better revenues and profitability. However, there has been slump in the US market since last few years on the account of several impeding factors from the market such as:

1. Consolidation in the distribution network
2. Change in the health insurance policy framework
3. Substantial rise in the GDUFA fee
4. Concerns over sustained compliance from the US FDA approved manufacturers
5. Rising operational costs of US FDA approved formulations manufacturers
6. Increased competition in generics space

Transformation: Necessity of time

Today, generic pharma industry needs a swift approach in rationalizing their product pipeline and also explore other avenues by entering into markets such as semi-regulated or less-regulated markets to regain their financial health back on track.



What one needs to do in wobbling global pharma market scenario?

Under the current dynamic global market scenario, one has to adopt new strategies. The time has come now whereby, it has become quintessential for any generic pharma company to:

- Revamp product portfolio by; targeting niche generic opportunities where there is less competition or have more barriers for the market entry. For. Eg. Explore products from the USFDA drug shortage list to ensure better revenue generation, target complex generics such as injectable suspensions, explore products from the USFDA published off patent generic products list where there is still no competition.

- Re-engineer products to reduce the cost of manufacturing by change in the API source, change in the manufacturing process to maximize the profits without compromising on the quality of the product.
- Extend the product lifecycle for those products which are in the decline phase in the market and where there is possibility to revive their business potential.
- Think Beyond the US as a most profitable market due to ever challenging scenario and enter newly opened up markets such as China to encash the opportunity. China currently stands at number 2 position in the world Pharma market with its current market size of over USD 120 bn. Chinese pharma industry is now at the cusp of transformation and apparently it is visible since many companies across the globe are willing to enter this lucrative market which is too big to ignore for any pharma company.
- Extend the product portfolio to emerging nations in the pharma industry such as Asian and African countries where one can expect good volume proposition with profitable business by carefully evaluating the products to be inducted into those markets.
- Create unique market opportunities by utilizing patent free regime countries like Bangladesh. Bangladesh currently falls under Least Developed Country (LDC) nation category as per UN and hence it has World Trade Organisation (WTO) waiver which exempts LDCs from obligations related to pharmaceutical patents. This allows LDC WTO members to produce patented drugs without any obligations from patent holders and also it does not necessitate them to pay a royalty fee. In Bangladesh this exemption has been a mainstay of the industry's growth. Most of the drugs companies operating in Bangladesh make generics, or non-branded medicines, the patents of which have often expired. Around a fifth of drugs produced in the country are patented elsewhere, but the production of which is made possible by the WTO waiver. Utilizing this opportunity, one can significantly cut costs and improve availability of the medicines. Firms can also export to LDCs or to non-WTO member countries without product patent protection or where the patent holder has not filed any patents.



Get in touch with our expert and explore different ways of dealing with the situation. We at PharmSol are well equipped to analyze your market risks and based on the outcome, offer support for your product development (contractual development/co-development), product in-licensing, product re-engineering, life cycle extension needs and maximize your revenues and reach in the markets.

