



PHILIPPINE PHARMACEUTICAL INDUSTRY

I. Players

Type	Companies
Multinationals	GlaxoSmithKline Philippines • Pfizer • Wyeth • Abbott Laboratories • Novartis • Astrazeneca • Sanofi-Aventis • Johnson & Johnson • Boehringer Ingelheim • Roche • Bristol Myers Squibb • Bayer • Schering Plough • MSD • Servier Philippines • Merck Inc.
Filipino-owned	United Laboratories (along with its subsidiaries namely Asian Antibiotics, Amherst, and Westmont) • Pascual Laboratories • Natrapharm • GX International • AM-Europharma • AD Drugstel • Euro-med, among others
Toll Manufacturers	Lloyd laboratories • Hizon Laboratories • Interphil Laboratories • La Croesus Pharma • EL Pharma • Sydenham Lab • Swiss Pharma • Interchemix Pharma • Ashford Laboratories and about 20 other smaller companies

Top 10 in Ethical Spaces

- United Laboratories
- Pfizer
- Glaxo SmithKline
- Boehringer Ingelheim
- Sanofi Aventis
- Merck Sharp & Dohme
- Novartis
- Astrazeneca
- Cathay Drug
- Natrapharm

Source: Pharmaceutical and Healthcare Association of the Philippines (PHAP)
Initial Source of Data: MAT Dec 2014 Drugstore and Hospital Sales Audit; IMS Health

Top 10 in Over-the-Counter (OTC) Spaces

- United Laboratories
- Pfizer
- Johnson & Johnson
- Taisho
- Intermed Mktg.
- Pascual Laboratories
- Glaxo SmithKline
- Boehringer Ingelheim
- Sanofi Aventis
- Abbott Laboratories

Source: Pharmaceutical and Healthcare Association of the Philippines (PHAP)
Initial Source of Data: MAT Dec 2014 Drugstore and Hospital Sales Audit; IMS Health

II. Employment: 31,000 jobs (as of 2014, PSA)

III. Trade Performance

	2015	2016	2017
Exports	40,981,744	69,388,775	70,019,784
Imports	1,095,370,085	1,347,733,625	1,285,145,934

Although exports of drugs and medicines increase over the years, the Philippines remains import-dependent. The top five (5) markets for Philippine exports of pharmaceutical products for 2017 are Thailand, Vietnam, Myanmar, India, and Singapore. The Philippine export of pharmaceutical products for 2017 consists of other medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses or in forms of packing for retail sale; other bandages and gauze; other medicaments containing vitamins or other products; other medicaments containing antibiotics; adhesive dressing and other articles having an adhesive layer; and other medicaments consisting of two or more constituents which have been mixed together for therapeutic or prophylactic use, not put up in measured doses or in forms or packings for retail sale

The rising importation on pharmaceutical products shows that there is an increasing demand in the market which the local manufacturers have yet to supply. This is manifested by the growth of retail outlets in the provinces that provide quality and affordable medicines. For 2017, the top 5 countries from which the Philippines sourced its pharmaceutical products are India, France, Germany, Switzerland, and Indonesia.

IV. Opportunities

- Healthcare as a priority of the Government - Three (3) of 10 economic agenda of President Duterte directly touch on healthcare:
 - Invest in human capital development, including health and education systems, and match skills and training to meet the demand of businesses and the private sector
 - Improve social protection programs, including the government's Conditional Cash Transfer program to protect the poor against instability and economic shocks.
 - Strengthen implementation of the Responsible Parenthood and Reproductive Health Law to enable especially poor couples to make informed choices on financial and family planning
- Government budget for health is significantly increasing: 29% growth from US\$1.57 billion in 2014 to US\$2.02 billion in 2018
- The growing population and economic development in the Philippines point to a pharmaceutical market of 110 million population.
- Healthcare spending vs GDP is growing from 2.79% in 2002 to 4.7% in 2017 (US\$12.6 billion).
- Private expenditures is 61.5% of total healthcare expenditures in 2014, driven by out-of-pocket spending (83% of private spend).
- Gap between high labor cost countries (US, EU, JP) and low labor cost countries (CH, IN) are narrowing which makes the Philippines a good source of quality and easily trainable labor force.
- The Philippines can access the US market as it is excluded in the US Trade Relations Watch List on counterfeit medicines.
- Investments are sought in the manufacture of Active Pharmaceutical Ingredients (APIs) as raw materials are almost 98% imported. Only a few local materials are available in the country, i.e., herbal raw materials, sugar, and alcohol.
- Top Ethical Pharmaceutical Class

Description	Total Market Share (%)
Cephalosporin (antimicrobial)	5.0
Broad spectrum penicillin (antimicrobial)	4.9
ARB plain (antihypertensive)	4.0
Cholesterol regulator (anticholesterolemia)	3.8
DPP4 inhibitor (antidiabetic)	3.4
ARB combination (antihypertensive)	3.4
Calcium antagonist plain (antihypertensive)	3.2
Antitumorant	2.7
Antirrhematic non-steroid	2.7
Human insulin analogs (antidiabetic)	2.4



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- Top 10 medicines required by the Department of Health (DOH) based on its 2017 Procurement Plan for drugs, medicines, and nutrients

Item Description	Total Quantity
Calcium Carbonate 500mg Elemental Calcium (for pregnant women)	539,913,027
Iron tablets with 400mcg folic acid for pregnant women (anemic)	280,927,080
Iron tablet with 400mcg folic acid for pregnant women (non-anemic)	125,045,640
Iron tablets with 400mcg folic acid for 10-49 WRA clinically Dx	100,236,136
Micronutrient powder for 12-23 months clinically Dx anemia	84,986,400
Micronutrient powder for 6-11 months clinically Dx anemia	67,989,000
Iron tablets with 400 mcg folic acid for post-partum/ lactating women clinically Dx	51,394,720
Micronutrient powder for 6-11 months	50,991,840
Diethylcarbamazine Citrate (DEC)	28,818,100
Vitamin A 200,000 IU 12-59 months	22,663,022

- Top 10 DOH vaccine procurement plan for 2017

Item Description	Total Quantity
Hepatitis B Vaccine (recombinant DNA)	37,991
Human Papilloma Virus (HPV) Vaccine	1,000,000
BCG Vaccine	6,000,000
Hepatitis B Vaccine	2,000,000
DPT Hep B Hib (Pentavalent) Vaccine	9,000,000
Bivalent Oral Polio Vaccine (BOPV)	10,000,000
Inactivated Polio Vaccine	3,000,000
Pneumococcal Conjugate Vaccine (PCV-13)	5,000,000
Measles, Mumps and Rubella (MMR) Vaccine	10,000,000
Measles Rubella (MR)	5,000,000

V. Government Programs

- In order to meet the growing demands for medicines, the Philippine government has programs which aim to enhance availability and access to low-priced quality essential medicines to all Filipinos, specially the poor. Access is measured based on the estimated percentage of the population with access to at least 20 essential medicines. In order to do so, the government implemented the following programs:
 - Parallel Drug Importation Program – In 2000, the DOH has initiated this program as an innovative strategy to reduce the costs of essential medicines and to ensure that affordable, high quality, safe and effective drugs and medicines are always available, especially to the poor.
 - Promotion of generic drugs – The Generic Act of 1988 or RA 6675 was issued to promote, require and ensure the production of an adequate supply, distribution, use and acceptance of drugs and medicines identified by their generic names. Policies were also crafted and implemented by the DOH, in cooperation with then BFAD, now FDA, that intend to break the trends of imperfect market practices and monopolies/ oligopolies in the pharmaceutical sector.
 - RA 9502 or the “Universally Accessible Cheaper and Quality Medicines Act of 2008” was also issued. It was intended to achieve two correlated goals:

- Reduce the cost of medicines, especially those that are commonly bought by the poor, to 50% of their 2001 prices and make these available nationwide; and
- Require and ensure the production of adequate supply, distribution, use and acceptance of medicines identified by their generic names, which are priced much lower than patented drugs mainly produced by multinational corporations.

VI. Industry-led Initiatives

- Anti-Counterfeiting – the Pharmaceutical and Healthcare Association of the Philippines (PHAP) has been piloting campaigns that would ensure the integrity of pharmaceutical products to safeguard the public against fake and substandard medicines. They are actively involved in the Safe Medicines Network (SMN) that advocates for the provision of safe and quality medicines. PHAP has been tasked to lead the SMN Enforcement Committee which will create a database of counterfeiting developments. Through the efforts of SMN, a dedicated hotline was designated to accept reports on fake medicines. The SMN has also been conducting information and education campaigns in the judiciary and LGUs in the provinces.

VII. Contacts

Evariste M. Cagatan

Director
Manufacturing Industries Service
Board of Investments
Address: Industry & Investments Building, 385 Sen. Gil Puyat Avenue, Makati City, Philippines
Tel No.: (+632) 890-9329
Fax No.: (+632) 897-3080
Email: EMCagatan@boi.gov.ph
Website: www.boi.gov.ph

Maria Dolores (Lolit) B. Reyes

Supervising Investments Specialist
Light Industries Division
Manufacturing Industries Service
Board of Investments
Address: Industry & Investments Building, 385 Sen. Gil Puyat Avenue, Makati City, Philippines
Tel No.: (+632) 890-9329
Fax No.: (+632) 897-3080
Email: MDBReyes@boi.gov.ph
Website: www.boi.gov.ph

Katherine M. Austria-Lock

Officer-In-Charge
Center for Drugs Regulation and Research
Food and Drug Administration
Department of Health
Address: Civic Drive, Filinvest Corporate City, Alabang, Muntinlupa City, Philippines
Tel. No.: (+632) 867-1990 loc. 1331, 1281, 1282
Email: kmaustria-lock@fda.gov.ph
Website: www.fda.gov.ph