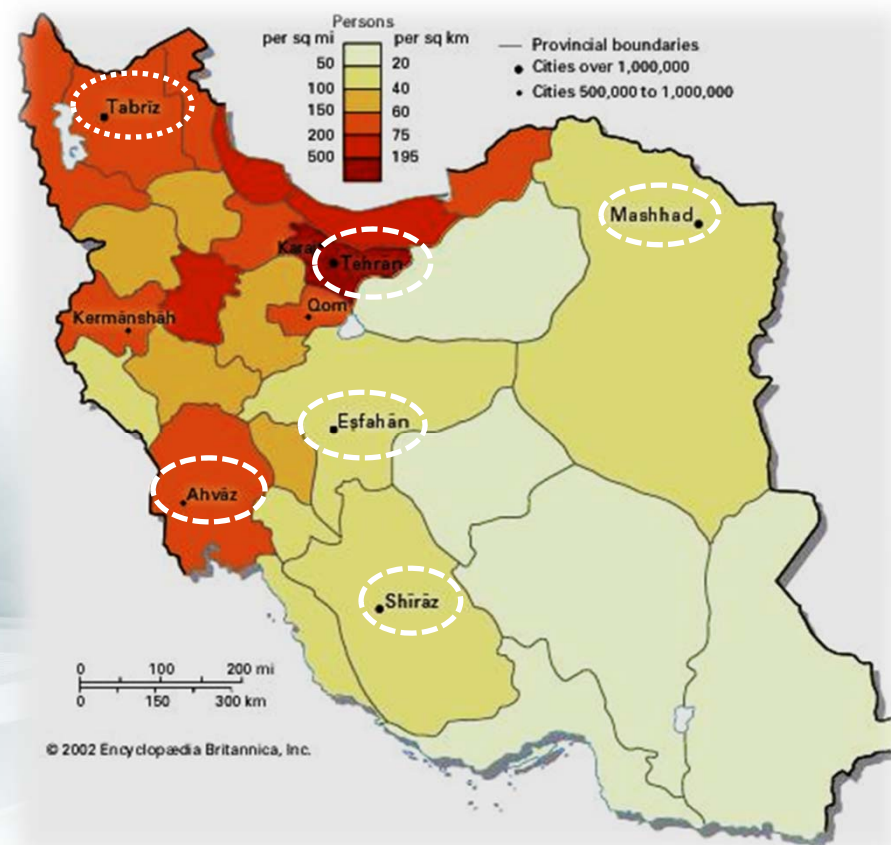


# Iran pharmaceutical environment

December 2016

# Iran Demography, 2016

Area	1.648m sq km
Population	80 504 285
Population growth rate	1.27 %
Urban population	73.7 %
Projected population 2050	92.218.000
Total Adult Literacy rate (2007-2011)	86.8 %
Life Expectancy	71.4
Crude Birth rate/1000	18
Infant Mortality Rate/1000 live birth (under 1)	37.1
Live Births	1.25 million
Death rate/1,000	5.9



Ref: Iran Demographics Profile 2016  
The world bank  
Country meters  
Trading economics 2016

# Economic indicators

2<sup>nd</sup>

largest economy in the Middle East and North Africa (MENA) region after Saudi Arabia

2<sup>nd</sup>

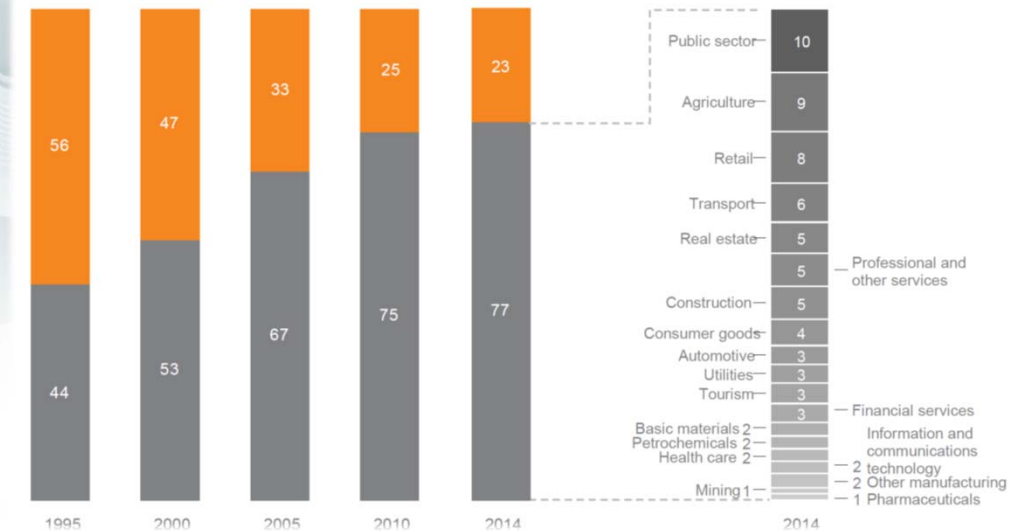
in the world in natural gas reserves and fourth in proven crude oil reserves

2<sup>nd</sup>

largest population of the region after Egypt, with an estimated 78.8 million people in 2015

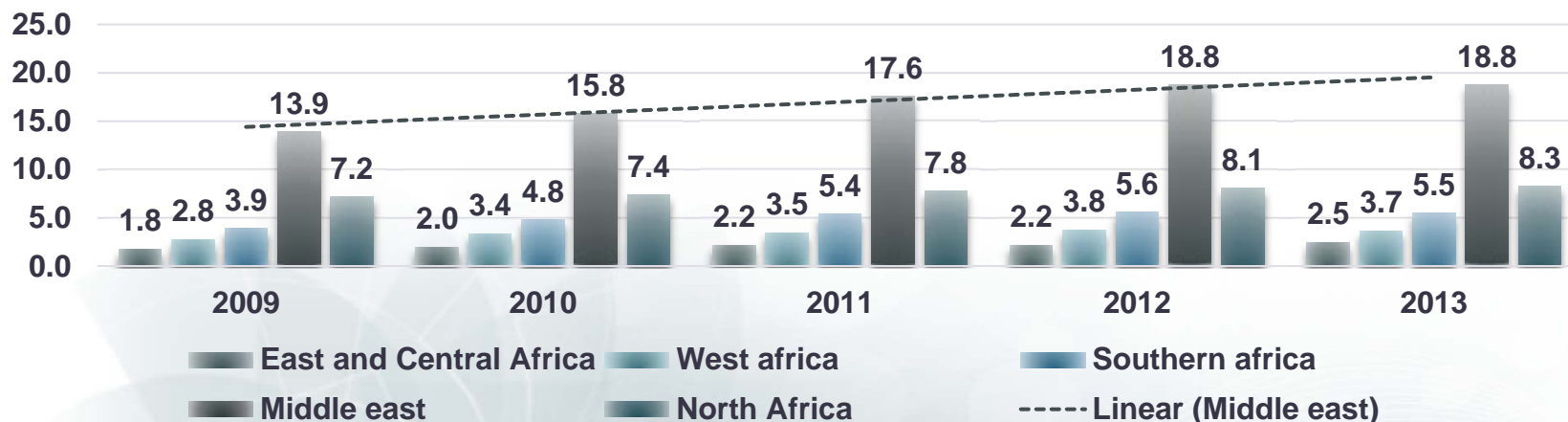


Sectoral contribution to Iran's total gross value added.



# Regional Pharmaceutical Market

## Pharmaceutical market (USD bn)



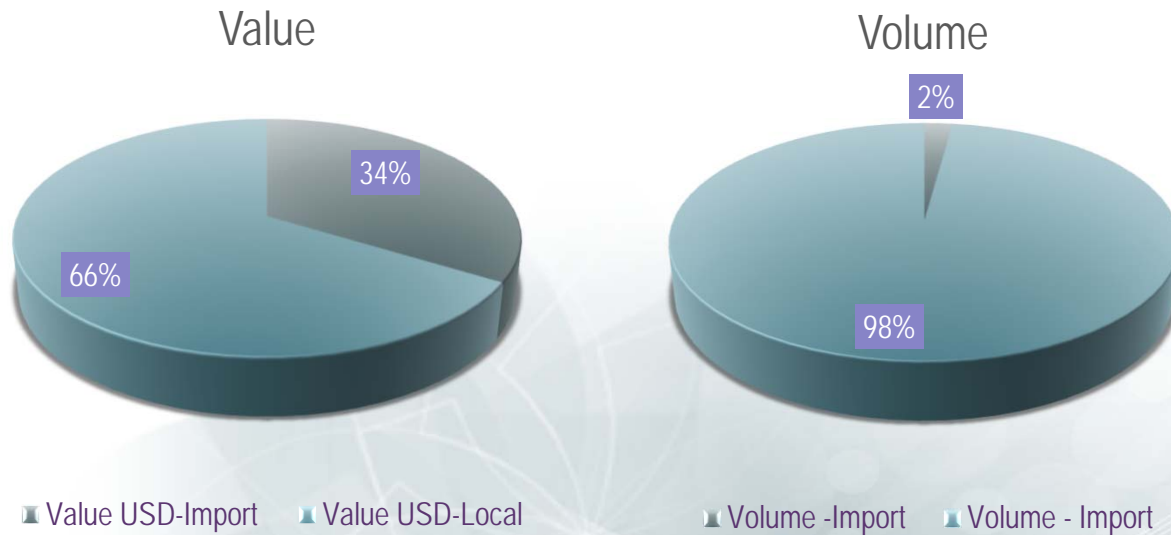
## Iran Pharma Market-Value bn USD



Iran has the largest drug market in Middle East. (4.6 bn USD in 2015)

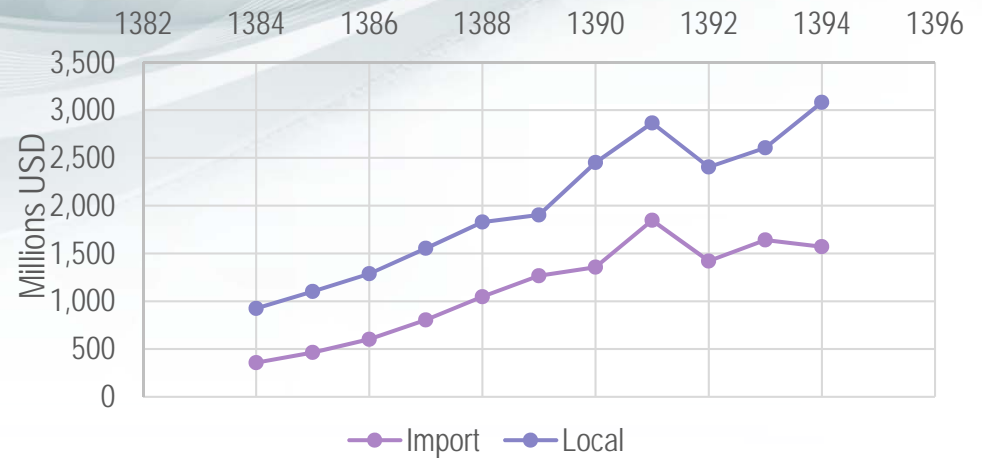
Reference: Business science Monitor- 2014  
 MOH Amarnameh 1394

# Pharmaceutical market, import vs local, 2014



The value of imported medicines accounts for about 34% of the value of the whole market and about 66% are produced locally, out of which the import share of listed companies on the Tehran Stock Exchange from this industry is only equivalent to 2%.

- ✓ Total market size : \$ 4.6 Billion\*, retail price based
- \* constant exchange rate is used to convert the values: 1\$= 28,500 RIs



# Iran Pharmaceuticals Industry



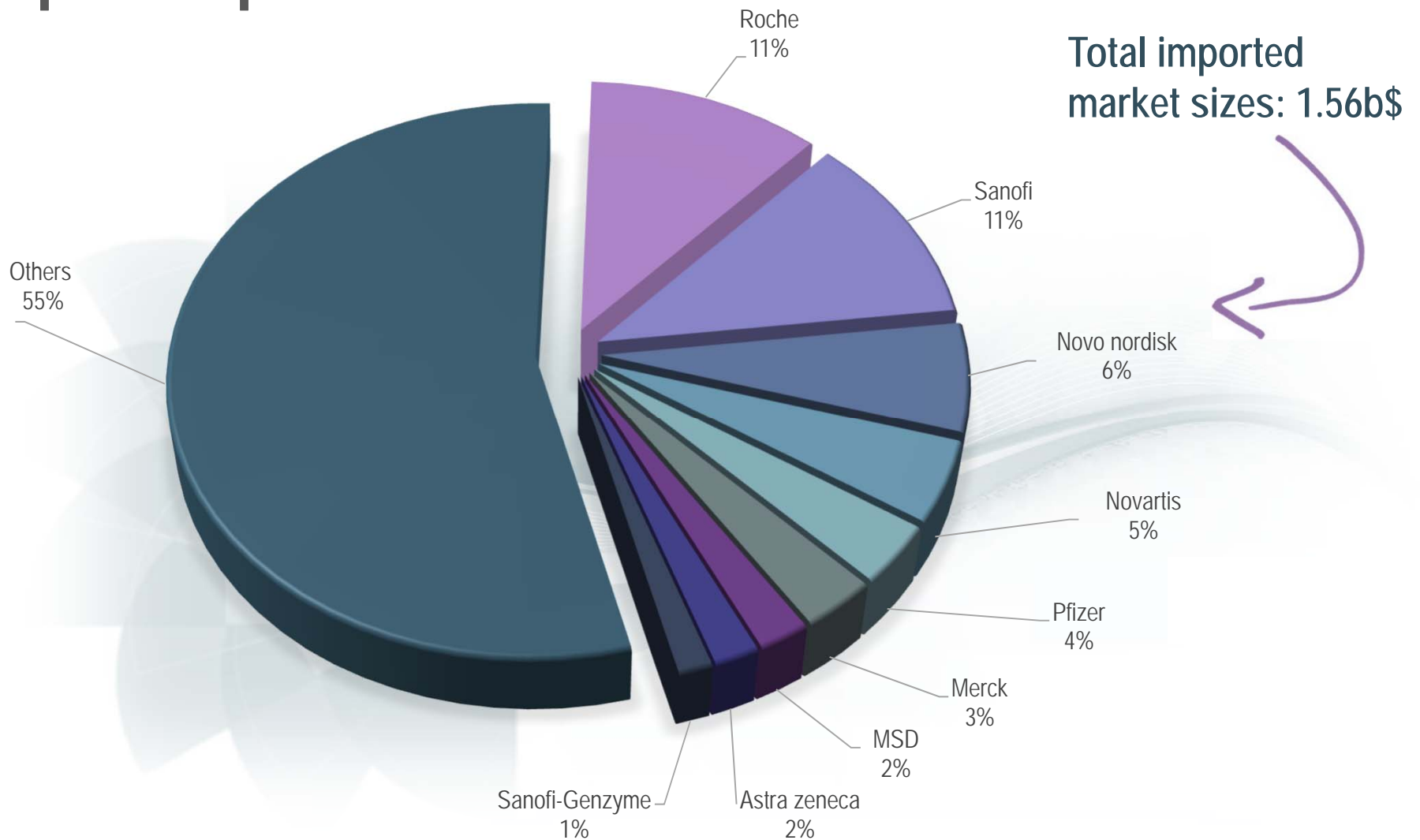
- Iran is a large pharmaceutical market in the region and has undergone great growth in comparison with developing countries and the pharma emerging group
- Major share goes to biotechnology drugs



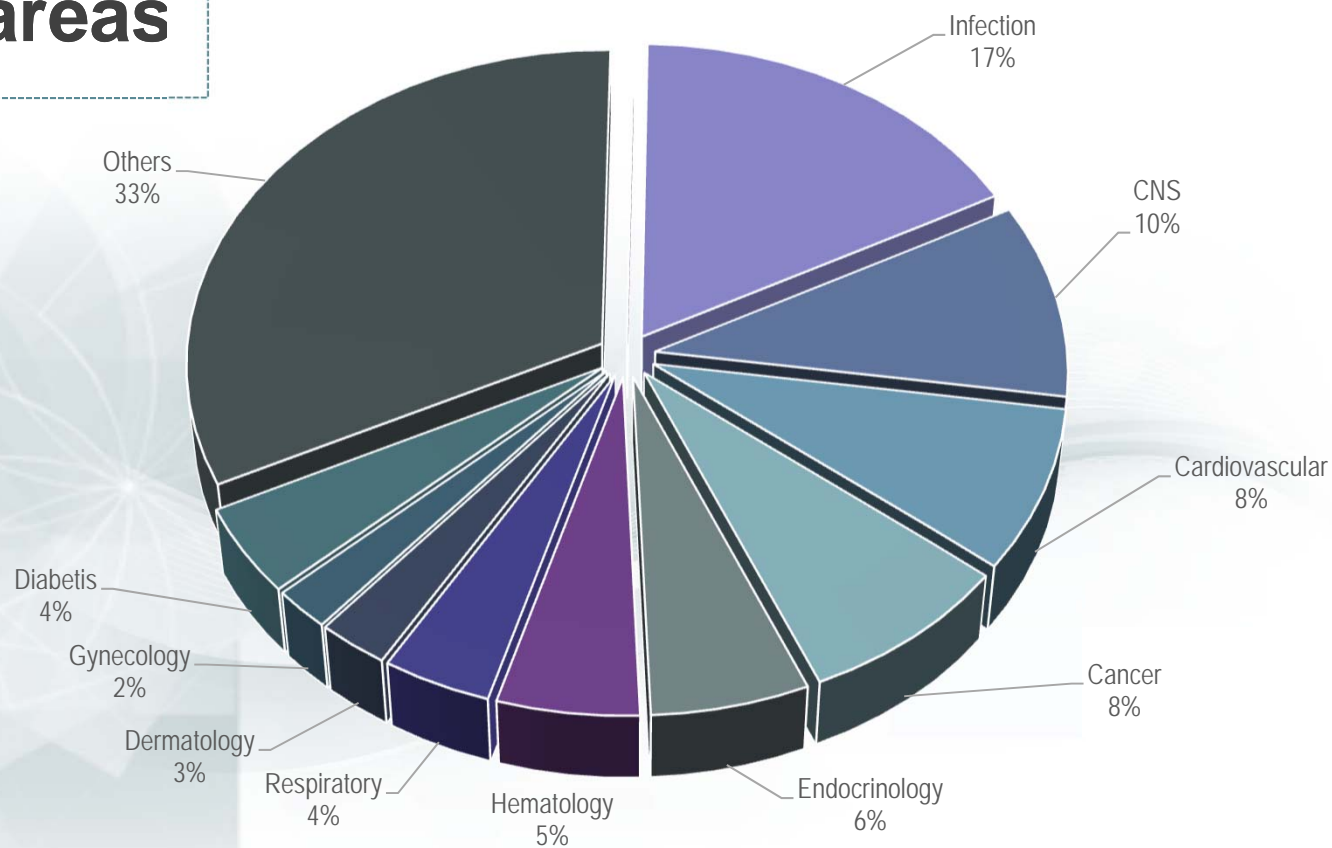
- Pharmaceutical spending is close to 20% of total treatment costs
- 10 largest companies hold close to 50% market share and 10 importing drugs companies hold more than 73% of the importing drug market.
- In terms of value, Antibiotics consumption is nearly a quarter of all drug consumption in Iran
- Nearly a third of market sales is linked to sales of brand medicines



# The share of multinational companies among the imported products



# Market share of different therapeutic areas



Ref: Iranian Pharmaceuticals Industry Analysis Report by Novinib, Jan 2016



# Iran Pharmaceutical Industry's SWOT Analysis

## Strengths

- ✓ Large and fast-growing population
- ✓ Large pharmaceutical market in regional terms
- ✓ Import restrictions
- ✓ The government's strategy to achieve self-sufficiency in pharmaceutical industry
- ✓ The Foreign Investment Promotion and Protection Act (FIPPA) does give some protection to foreign investors and now allows relatively good terms for the repatriation of profits

## Weaknesses

- ✓ Most of domestic production are basic and in expensive medicines and the market is in demand of Hi-Tech medicine imports.
- ✓ Nearly half of the required raw material is imported
- ✓ Strict governmental price control

## Opportunities

- ✓ Low taxes on foreign-made drugs that are not manufactured locally
- ✓ Rising regional demand for generics
- ✓ Improved intellectual property and regulatory conditions to attract some investment in local
- ✓ Facilities gradual modernization of the health care industry
- ✓ Plans to improve drug registration times
- ✓ Privatization of importing companies

## Threats

- ✓ Exchange rate fluctuations
- ✓ Weak economic performance that is limiting government spending
- ✓ Uncertainty of changes in laws and regulations