

Burgeoning pharmaceutical sector: A potential hub for global contract manufacturing operations

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Abstract

Being one of the world's leading industries the global pharmaceutical industry revenue is \$11205 billion in 2018 (growth rate of 5.8%). Bangladesh is the only least developed country around the globe that meets up to 97% of its demand for pharmaceutical products through local production, with a market size of nearly \$2.5 billion with 15.6% Compound Annual Growth Rate (CAGR) for the last 5 years. In addition, Bangladeshi pharma products are being exported to 199 countries which generated over \$100 million in 2018. There are a good number of successes in Bangladesh in which we take pride and undoubtedly the pharmaceutical sector is one of the best. It is one of country's most success story and one of the most technologically advanced dynamic sectors currently in existence. The aim of the study is to examine the current scenario of the pharmaceutical industry in Bangladesh and compare/contrast the competitiveness in terms of overhead cost, compliance issues (i.e. Patent, IP and Legal) or other factors. Comparison has been mainly conducted against India and China as these two countries have equivalent/better infrastructure for pharma operation. This paper is based on both primary and secondary data. The primary data is based on interview findings. Interview of pharmaceutical owners and senior level executives of six renowned pharmaceutical companies were collected. In addition, the Director of the Drug Administration (the regulator) and two key leaders of the Association of Bangladesh Pharmaceutical Industry were also taken. A face to face interview was conducted using a questionnaire. Follow up interviews were conducted over telephone to clarify policy and trade issues. Secondary materials were extensively used to identify critical factors affecting the pharmaceutical industry in different countries. The sources of secondary data include published articles from various journals, working papers, WTO website, published interviews, TWN (Third World Network) briefing paper, conference papers, newspapers and other e-sources. Key unique advantages of Bangladesh pharma industry which put Bangladesh ahead of other competitors were: Patent waiver up to 2032; reverse engineering of new molecules for API synthesis (already stopped in India and China); and overhead cost (manpower+ utility cost) per unit conversion cost of product is 30% less. Other influential factors are: Use of high tech and high-speed EU origin machines, skill people, no data integrity and falsification incident during any USFDA/EU inspection, English proficiency and social security. The third in the Pharma 2020 series outlines a confluence of dynamics

that lead to a new marketing and sales system with a smaller, more agile and smarter sales force. The pharma industry is no longer being rewarded for incremental innovation, me-too products and selling the most pills. The industrial pharmacy involves the pharmaceutical industry and includes the research, production, packaging, quality control, marketing and sales of pharmaceutical goods. When a pharmaceutical company discovers a new drug, it files for a patent. Then, the company is awarded a license for 20 years to exclusively sell the drug. Exclusivity is provided to recoup research and development expenses incurred during the development of a drug. Patented drugs are patented by an innovator company. Originating as a pharmacy founded in Darmstadt in 1668, it was in 1827 that Heinrich Emanuel Merck began the transition towards an industrial and scientific concern, by manufacturing and selling alkaloids. The term Pharmacognosy was first introduced by the Austrian physician Schmidt in 1811 and then in 1815 by Seydler in a work titled *Analecta Pharmacognostica*. Research into ethnobotany, ethnomedicine, and ethnopharmacology has also become an important element in Pharmacognosy.

Biography:

Zareen Delawar Hussain is the most diversified and pioneer Health Care Professional, Entrepreneur and Philanthropist in Bangladesh with significant accomplishments in all arena where she stepped. She has completed her MBBS in 1989 from Chittagong Medical College, Post- graduation in Anesthesiology from Dhaka University, Fellowship in Cardiothoracic Anesthesiology from Escorts Heart Institute and Research Center, New Delhi, India and also completed her basic certification course in Palliative Medicine from BSMMU. By profession she was a Cardiothoracic Anesthesiologist for the past 30 years. Last 6 years, she played significant role in propagating concept of palliative care in Bangladesh through CPC in BSMMU. In the year 2019, she started a new venture of pharmaceutical sector as a CEO of Invicta Pharma Care Limited for introducing advanced healthcare services at affordable prices. Later she became a stake of mid-size pharmaceutical manufacturer through merger for introducing specialized health care products for Bangladesh and Global market. She is the Founder Chairperson and Managing Director of Novo Invicta Specialized Health Care Limited. at The University of Texas MD Anderson Cancer Center in Houston. He recently completed his Executive MBA at the Olin Business School at Washington University in St. Louis.