

**Business Delegation to Mexico, Peru, Bolivia & Chile**  
**17<sup>th</sup> August – 1<sup>st</sup> September 2019**

**PURPOSE OF THE EVENT:**

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|------------------------------|--------------------------------------------------------|
| 1) Country                   | : Mexico, Peru, Bolivia & Chile                        |
| 2) Date of Event             | : 17 <sup>th</sup> August to 1 <sup>st</sup> September |
| 3) EC Approval (in brief)    | : The event was approved under MAI scheme              |
| a) Assistance approved       | : 71,87,590                                            |
| b) First Instalment released | : 49,40,000                                            |
| c) Second Instalment (due)   | : 22,47,590                                            |

4) Brief description of the Event :

- ❖ **BSM in Mexico City, Mexico (17<sup>th</sup> – 21<sup>st</sup> August 2019):** Pharmexcil with the support of Ministry of Commerce & Industry and Embassy of India in Mexico organized Buyer – Seller meet with Indian pharma industry at **Hotel Maria Isabel, Sheraton on 19<sup>th</sup> August 2019**. The event brought together over 100 delegates representing Mexican pharma companies and dignitaries from the health industry at the same platform.

The delegation further received clarity on the regulatory regimes seeking further business opportunities during the meeting with COFEPRIS authorities scheduled on 20<sup>th</sup> August 2019.

- ❖ **BSM in Lima, Peru (21<sup>st</sup> – 24<sup>th</sup> August 2019):** Buyer – Seller meet with Indian pharma industry was scheduled on **22nd August 2019 at Hotel Limaflores, Lima**. The event was jointly organized by Pharmexcil, Embassy of India in Lima and Lima Chamber of Commerce with support from Ministry of Commerce & Industry. Government of India.

The event witnessed more than 450 meetings conducted between the representatives of Indian and Peruvian pharma industry. Over 100 pharmaceutical companies from Peru visited the show along with the officials from MINISTRY OF HEALTH (Peru), CENARES and DIGEMID. The delegation further visited DIGEMID on 23<sup>rd</sup> August and sought clarity on the regulatory process & further scope of Indian pharmaceuticals in the Peruvian market. CENARES further explained their procurement process for ease of doing business in the market.

- ❖ **BSM in La Paz, Bolivia (24<sup>th</sup> – 28<sup>th</sup> August 2019):** The first day in Bolivia unlike other countries was reserved for meetings with Ministry of Health, Ministry of Planification & Development, Department of Public Health Insurance & Department of Traditional medicines. The delegation met with the officials and understood the regulatory regimes, key requirements and the framework to be followed for import of drugs and pharmaceutical products in the country. The procurement agency AGEMED further highlighted their procurement guidelines and requirement of specialty medicines for the

country. The officials were further invited to attend the scheduled **Buyer - Seller meet scheduled on 26<sup>th</sup> August 2019 at Hotel Europa, La Paz.**

The event was well organized with the support of Ministry of Commerce & Industry, Government of India in partnership with Embassy of India in Peru, Concurrently Accredited to Bolivia & Doing Business (local chamber of commerce). Over 100 pharmaceutical companies from Bolivia attended the meet and discussed their way forward with the Indian pharma industry.

- ❖ **BSM in Santiago, Chile (28<sup>th</sup> August – 1<sup>st</sup> September):** Buyer Seller Meet with Indian Pharma Industry was scheduled on **29<sup>th</sup> August 2019 at Santiago Chamber of Commerce, Chile.** Embassy of India in Santiago, Pharmexcil, and Santiago Chamber of Commerce organized the event with support from Ministry of Commerce & Industry, Government of India. Over 70 pharmaceutical companies from Chile visited the show and conducted their pre - scheduled meetings during the day.

The delegation further participated in a meeting organized by Ministry of Health, Chile wherein CENABAST and PUBLIC HEALTH INSTITUTE presented the guidelines for import of drugs & pharmaceuticals in the country. The meeting was organized on 30<sup>th</sup> August 2019 at **Hotel Plaza San Francisco** and witnessed the presence of Dr. Jaime Manalich - Hon'ble Minister of Health, Chile and H. E. Ms. Anita Nayar - Ambassador of India to Santiago discussing the recent developments in pharma sector between the nations.

**5) Details of Participants**

- |      |                                          |                    |
|------|------------------------------------------|--------------------|
| i)   | <b>Number of Participants</b>            | : 36               |
| ii)  | <b>Brief profile of each participant</b> | : Profile enclosed |
| iii) | <b>Participants response</b>             | : Very Good        |

**6) Details of Visitors**

- |     |                                    |                                        |
|-----|------------------------------------|----------------------------------------|
| i.  | <b>Number of Overseas Visitors</b> | : Over 350 companies (All 4 countries) |
| ii. | <b>Visitors feedback</b>           | : NA                                   |

**7) Business Generated:**

- |      |                                                |                                           |
|------|------------------------------------------------|-------------------------------------------|
| i)   | <b>No. of Enquiries</b><br>Indian participants | : Over 200 serious leads generated by the |
| ii)  | <b>No. of MOUs Signed</b>                      | : 3                                       |
| iii) | <b>On Spot Orders Booked</b>                   | : 1                                       |
| iv)  | <b>Potential Business Generated</b>            | : USD 50 MN approximately                 |

**BRIEF NOTE ON EXPORT POTENTIAL OF THE COUNTRY/PRODUCT:**

**MEXICO:**

An ageing population, a growing middle class and better access to healthcare services are greatly increasing consumer demand for pharmaceutical products. In addition, Mexico has been

experiencing an epidemiological transition, from communicable diseases to chronic degenerative diseases which continues to fuel opportunities for drug makers.

However, increasing cost-containment measures and a weak regulatory environment threatens drug maker opportunities.

Pharma market was of the size \$10.3 billion in 2018 and is forecasted to grow by 3.4% to reach \$10.9 billion in 2019.

India's Pharma Exports To Mexico \$ Million					
Category	2015-16	2016-17	2017-18	GR%	contbn %
BULK DRUGS AND DRUG INTERMEDIATES	112.45	111.68	109.51	-1.94	66.48
DRUG FORMULATIONS AND BIOLOGICALS	23.59	28.67	30.52	6.43	18.52
AYUSH	0.03	0.00	0.00	35.39	0.00
Herbal Products	4.15	6.05	3.68	-39.12	2.24
Surgicals	2.71	2.34	2.75	17.71	1.67
Vaccines	17.33	8.73	18.27	109.27	11.09
Total	160.27	157.47	164.73	4.61	100.00

#### **PERU:**

Peru's demographic and epidemiological profiles support the use of chronic treatments and a variety of healthcare services, including diagnostics. However, the fact that the government remains the key source of healthcare funding & lax IP laws makes it difficult for Top MNCs with innovative products and makes the market less attractive.

In 2018 the market touched USD1.8 BN with a growth of 6%. In 2019 it is expected to touch \$ 1.96 bn with a growth of 6.7% Percapita of drug expenditure in 2018 was \$ 56.6. Low costs and long-term potential of the local market make Peru a potentially attractive production site for foreign manufacturers with intention to export to other LAC countries.

India's Pharmaceutical exports to PERU \$ Million						
Category	2015-16	2016-17	2017-18	GR%	contbn %	Contbn to Region
BULK DRUGS AND DRUG INTERMEDIATES	14.78	14.61	10.26	-29.81	19.62	2.86
DRUG FORMULATIONS AND BIOLOGICALS	30.66	29.88	33.92	13.50	64.89	5.37
AYUSH	0.08	0.01	0.06	363.65	0.12	4.88
Herbal Products	0.04	0.00	0.01	768.01	0.02	0.12
Surgicals	1.34	1.62	1.82	12.21	3.48	5.68
Vaccines	15.93	4.66	6.20	33.10	11.87	6.04

Total	62.83	50.79	52.27	2.91	100.00	4.60
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## **BOLIVIA:**

Ongoing reform of Bolivia's healthcare system will increase access to affordable medicines and drive pharmaceutical market growth. Bolivia is also expected to remain reliant on imports for advanced drugs, providing multinational drug makers with ongoing revenue-earning opportunities. Although companies from the United States and EU also play a role. India is now the third largest exporter of pharmaceuticals to Bolivia.

Bolivia is \$ 295 million market and is forecasted to touch \$ 315 million by 2019 ending.

The Ministry of Health regulates and executes national health policies and strategies at the central level. At the regional level, the prefectures are responsible for human resource administration. At the local level, the municipal governments are in charge of administering health facilities, with the aim of providing health services to the country's low-income population. It is estimated that coverage is still low, at around 30% of the population.

Social Security provides healthcare service for salaried employees in the formal sector. Nine Cajas de Seguridad Social (social security funds) covers 27% of the population. The largest of these funds is the National Health Insurance, which provides 80% of the country's social security coverage.

The private sector includes both for-profit and non-profit organizations. Out-of-pocket spending and prepayments in private healthcare schemes cover 20% of the total population. Non-profit organizations, particularly the Catholic Church, provide significant amounts of healthcare services, covering around 10% of the population - mostly in marginal urban areas and extreme low-income municipalities. Traditional medicines, officially represented since March 6, 2006 by the Vice-Ministry of Intercultural and Traditional Medicine, serves approximately 10% of the population, mostly in the rural areas.

Bolivia's high disease burden presents a major challenge for the country's fragmented healthcare system. Non-communicable diseases accounted for a high (70%) proportion of the total disease burden in 2015. As is the norm for the majority of the Latin American countries, the burden of communicable disease will fall faster than that of non-communicable disease (from 30% of total in 2015 to 28% in 2030). Cardiovascular diseases are the most frequent cause of death in Bolivia, followed by cancer, stroke, diabetes and neonatal disorders, according to BMI's Disease Database.

India's Pharma Exports to Bolivia \$ Million				
Category	2015-16	2016-17	2017-18	Gr%
AYUSH	0.00	0.01	0.01	58.57
BULK DRUGS AND DRUG INTERMEDIATES	0.61	0.84	0.64	-23.40
DRUG FORMULATIONS AND BIOLOGICALS	10.17	10.08	10.77	6.90
Herbal Products		0.02	0.03	13.76
SURGICALS	0.32	0.39	0.58	49.15
Vaccines	4.02	3.18	3.52	10.53

Grand Total	15.13	14.52	15.55	7.11
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### **CHILE:**

Chile pharma market has touched \$ 4.35 billion in 2018(initial estimates). It is one of the fastest growing market. Has achieved a growth of almost 14% in 2017. Forecasts say in 2019 growth rate may be around 11.1% and the size may reach \$ 4.83 bn.

Pharmaceutical sales account for 16.7% of total health expenditure and per capita spending of USD239. Prescription sales, at a value of USD3.6bn, comprise 83% of total sales (\$4.35 billion). While the rest is OTC (over the counter sales).

Chile is considered the healthiest nation among LAC region. Problems of obesity is an issue. Over 9% of the population of the age group of 20 and above are affected with diabetes. 93% of their health issues are of non-communicable in nature.

The local industry is well developed, and more than 20 international companies have subsidiaries in the country. Local production is limited to legitimate generic drugs, copy medicines (which are not bioequivalent and forms majority of the market) and off-patent original brands primarily targeted at the local market. Major local drug producers include Recalcine, Saval and Andrómaco, which all have a market share of around 6-8%. Laboratorios Chile, a wholly owned subsidiary of Teva-IVAX, is the domestic market leader.

The continued growth of Chilean pharmaceutical sales will be supported by key aspects such as a financial protection system for high-cost treatments, increasing the population's access to healthcare and generating rising spending.

At a five-year CAGR of 6% sales are forecast to expand briskly to USD 5.8 bn in 2023, accounting for 14.1% of health care expenditure.

India's Pharmaceutical exports to CHILE \$ Million						
Category	2015-16	2016-17	2017-18	GR%	contbn %	Contbn to Region
BULK DRUGS AND DRUG INTERMEDIATES	8.44	9.34	7.40	- 20.75	10.08	2.06
DRUG FORMULATIONS AND BIOLOGICALS	44.68	54.12	63.82	17.93	86.92	10.11
AYUSH	0.00	0.00	0.00	39.33	0.00	0.12
Herbal Products	0.35	0.28	0.35	25.62	0.48	4.14
Surgicals	0.42	0.35	0.47	34.03	0.64	1.47
Vaccines	6.09	2.09	1.38	- 34.19	1.87	1.34

Total	59.97	66.18	73.43	10.9 4	100.00	6.47
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**8) Outcome analysis by Council:** The delegation was proven to be very fruitful for the participants with serious business enquiries, business order and signed MoU's during the scheduled trip. Meetings with regulatory and procurement agencies in all the countries added to the positive feedback received from the participants.

**Some major achievements and findings during the delegation:**

- ❖ Need of hour in respect to procurement of required and essential drugs in Mexico by the Ministry of Tax & Finance (recently taken over the responsibility of direct procurement) and further intent of direct procurement from the Indian Pharmaceuticals industry eliminating the middlemen causing substantial rise in the pricing of essential drugs & pharmaceuticals in the country
- ❖ Association with India – Mexico Business Chamber and CANIFARMA for a fruitful way forward.
- ❖ Suggestions for involvement of Indian Embassy in Mexico & Pharmexcil for facilitation of ease of trade and quick resolution of gaps prevailing in the regulatory and business environment.
- ❖ Suggestion to **DIGEMID and CENARES (PERU)** for recognition of Indian Pharmacopeia, good manufacturing practices and reliability of Indian pharmaceutical products which will lead to huge reduction in cost of the products currently present in their country.
- ❖ Intent of getting HIV medicine manufactured in India for competitive advantage.
- ❖ Clarification to local authorities in respect mandatory requirement of COPP and its issuance by different state authorities in India. It was clarified that the issue has been sorted out and a harmonized system is in practice for issuance of COPP.
- ❖ CENARES further proposes to sign a MoU with PHARMEXCIL for effective and efficient coordination in terms of procurement of required and essential drugs. PHARMEXCIL shared information about IPHEX - 2020 and agreed to sign the MoU on international platform.
- ❖ The first time visit to Bolivia received an overwhelming response in terms of quality visitors meeting directly with the manufacturers and not the middlemen.
- ❖ India is already the 3rd largest exporter of drugs & pharmaceuticals to Bolivia, however there is more to cover as the aim of achieving universal healthcare system of Bolivia relies on procurement of affordable, reliable and quality medicines for the nation.
- ❖ Intent of direct procurement by the Chilean authorities in order to eliminate the the middlemen.
- ❖ Address in the press release by Dr. Jaime Manalich - Hon'ble Minister of Health, Chile and H. E. Ms. Anita Nayar - Ambassador of India to Santiago discussing the recent developments in pharma sector and announcing the signing of MoU between the nations.

9) Photographs of the Event:

MEXICO:







**PERU:**







**BOLIVIA:**







**CHILE:**





