

## MYANMAR

### Demography

SL. No	Parameter	Description
1	Region	South Eastern Asia
2	Country	Myanmar
3	Capital	Naypyidaw
4	Population	57,746,253 ( 2014 est)
5	Population growth rate (%)	1.03%(2014est)
6	GDP (purchasing power parity)	\$ 111.1 billion(2013est.)
7	GDP - real growth rate (%)	6.8% (2013est)
8	GDP - per capita (PPP)	\$1,700 (2013 est.)
9	Exchange rates	Kyats (MMK) Per US Dollar = 977.4 as on June 19 <sup>th</sup> 2014
10	Population below poverty line	32.7%
11	Age structure (%)	0-14 years: 1.04%
		15-24 years: 1.03%
		25-54 years :0.99%
		55-64 years: 0.99%
		65 year and above: 5.2%
<i>Source: CIA World Fact Book updated to june 2014</i>		

## INTRODUCTION

The considerable increase in government health expenditure in 2012 highlights Myanmar's commitment to improving healthcare.

Pharmaceutical expenditure was around \$ 350 million in 2013 and is expected to go to \$ 390 million in 2014 with around 11% growth.

The country has significant growth potential, given the growing population and economic reforms. The government is committed develop the health sector.

## Key Trends And Developments

- In May 2014, Dr. Maung Maung Thein, deputy minister for finance stated that the government will introduce the first-ever health insurance service by the end of this year. The trial run for the insurance service will run for a year and a study will be set up to investigate insurance premiums and compensations.
- In April 2014, the Ministry of Health announced that it will manufacture a hepatitis B vaccine for children and will begin vaccine administration following approval from the US Food and Drug Administration. The Ministry's hepatitis B manufacturing factory currently produces 300,000 vaccines that are administered to adults annually at a cost of MMK2800 (USD2.90) per dose.
- In March 2014, the Ministry of Health's budget was increased from MMK1.2bn (USD1.2mn) in FY2012/13 to MMK3.7bn (USD3.7mn) in FY2013/14 to combat tuberculosis.

## Market size & Information:

Reliable data relating to the size of Myanmar's pharmaceutical market is not available. It is estimated (based on trade flows) that in 2013, pharmaceutical sales in the country reached US\$350mn. This value is lower than that of most of the Association of South East Asia Nations (ASEAN) countries, placing Myanmar below even Singapore in terms of absolute pharmaceutical market size, despite its much larger population (60mn versus 5mn). The market is expected to grow to \$1.12 billion by 2023.

Much of Myanmar's demand for pharmaceuticals is filled by imports, as Myanmar's domestic pharmaceutical industry is small and underdeveloped. According to data from UN Commodities Trade pharmaceutical imports reached US\$263.6mn in 2012

Major importing partners were India (US\$104.3mn), Thailand (US\$61.0mn), China (US\$26.4mn), Indonesia (US\$12.2mn) and Malaysia (US\$11.4mn). Meanwhile, the country exports pharmaceuticals mainly to ASEAN, namely Singapore (US\$43,000), Philippines (US\$34,000), Thailand (US\$2,000) and Bahrain (US\$1,000) in 2011.

The imports have reached \$ 294 in 2013 and is expected to reach \$ 547 by 2018.

## Statistics:

### India's exports:

<i>Value in USD million</i>				
India's Exports to Myanmar (Burma)				
Category	2011-12	2012-13	2013-14	Growth rate of 2013-14
Bulk drugs	1.91	1.38	0.87	-37
Formulations	78.33	120.16	137.42	14.36
Herbals	0.03	0.09	0.15	66
<b>Ayush</b>	<b>0.15</b>	<b>0.84</b>	<b>0.47</b>	<b>-44</b>
Total Exports	80.42	122.47	138.91	13.42

Source: DGCIS

Growth rate in exports during FY-14 was 13%.

### Myanmar Imports:

<i>Value in USD million</i>						
Top Ten Countries Exporting Formulations to Myanmar						
Rank	country	2010	2011	2012	Gr%	%contbn
1	India	56.86	74.24	104.26	40.44	38.39
2	Thailand	40.49	52.25	60.97	16.68	22.45
3	China	23.18	23.64	26.37	11.58	9.71
4	Indonesia	6.09	10.79	12.22	13.21	4.50
5	Malaysia	6.99	7.24	11.40	57.49	4.20
6	France	5.97	8.41	10.47	24.49	3.86
7	Rep. of Korea	5.03	5.25	7.03	33.93	2.59
8	Pakistan	4.22	3.89	5.86	50.48	2.16
9	Germany	3.79	4.40	4.96	12.59	1.83
10	Viet Nam	4.06	3.76	4.85	29.13	1.79
		<b>174.40</b>	<b>228.04</b>	<b>271.59</b>	19.10	100.00

Source: UN Comtrade

## Regulatory:

The country's Pharma industry is just in its infancy. Reports available are very old and suggest the country has around 150 pharmacists, one state owned manufacturer besides 60 private small scale manufacturers. The trade has 275 wholesalers and 20 importers.

**MFDBA:** Lays down policies, provides guidance on production, distribution, importation, exportation, quality assurance, standard setting.

**FDSCs:** The State/Division FDSC, under the Director General of the Department of Health (who is chairman of the Central FDSC), licenses drug wholesalers and retailers. The CFDSC licenses local drug manufacturers and gives drug importation approval certificates to the importers. At township level the FDSCs are managed by the Township Medical Officers. The committees consist of the Township Medical Officer, the Commander of the Police, and the representatives of the City Development Committee and the General Administration Committee.

**FDA:** Established in 1995, responsible for issuing marketing authorisation for pharmaceutical products, inspecting manufacturing plants and importers, and testing the quality of drugs.

**DAC:** Evaluates and registers drugs. Prior to submission to the DAC, applications are reviewed by staff from the registration section of the FDA - which consists of the Assistant Director of the Drug Control Section and two pharmacists.

Registration applies to imported as well as domestically manufactured products, and covers both the public and private sectors. Guidelines for drug registration have been formulated, and require that anyone applying for registration should be a resident of the Union of Myanmar. In the case of foreign companies, the applicant must be a legal representative domiciled in Myanmar but need not be the sole importer of the drug. Once a drug is registered, it can be imported into the country by anyone who has a license to import pharmaceuticals. Companies must pay US\$100 for registration assessment fees, followed by US\$300 for registration fees (registration of drugs).

Myanmar is yet to comply with the concept of ASEAN regulatory harmonisation.

In 1979, Myanmar developed and established the National List of Essential Medicines (EML) comprising of 254 items (122 essential, 132 complementary). By 2009, the list expanded to contain 341 items (243 essential, 98 complementary).

## Domestic market:

Myanmar pharmaceutical market is underdeveloped. A majority of the country's pharmaceutical supplies were imported or produced by the Myanmar Pharmaceutical Factory, the only state-owned pharmaceutical plant in the country under the Ministry of Industry. Western countries companies are now beginning to show some interest in the market. At present India's generic companies are the main foreign companies in the country. Ranbaxy, Cipla & Wockhardt are the main companies from India.

In December 2013, **STADA Arzneimittel** reported that its products are now available in Myanmar, with local partners offering both generic and branded products through in-licensing. STADA commented that the product range on offer will be gradually expanded, and noted that the move makes it one of the first Western pharmaceutical companies to take up activities in Myanmar. They Plan to start production in 2015.

Gilead has announced 2000 single dose regimen HIV patients. It is also examining the feasibility of extending the benefit to 10,000 patients.

In July 2013, Indian drugmaker **Sun Pharmaceutical Industries** stated it plans to invest in Myanmar.

In June 2013, **Omron** signed an agreement with DKSH to distribute its blood pressure monitors in Cambodia, Laos, Myanmar and Vietnam.

In April 2013, the CEO of China-based **Tasly Pharmaceutical International**, Bill Dai, met officials from Myanmar's Department of Traditional Medicine. Tasly will help the department better understand the Good Manufacturing Practice (GMP) system.

In the same month, Harijit Gill, chief executive for the ASEAN and Pacific for **Philips Electronics**, stated that the company is planning to expand its consumer electronics and healthcare business in Myanmar.

## Company Profile:

### Fame Pharmaceutical

One of the more established privately-owned pharmaceutical firms in Myanmar. Has a GMP-certified facility - a rarity in a frontier market like Myanmar.

Established in 1999, privately-owned Fame Pharmaceutical is one of the leading pharmaceutical companies in Myanmar. It produces natural (Herbal) and organic products that can be used to treat various diseases including malaria, tuberculosis and cancer.

According to the company's website, its factory received a GMP certificate from the Ministry of Health in 2003. Its key products are mostly over-the-counter (OTC) and it exports products to various countries including Germany, Singapore, Thailand, China, Japan and Malaysia.

### Mega Lifesciences

Mega Lifesciences was established in 1983 and has key businesses in the manufacturing, marketing and distribution of various pharmaceutical products - including prescription and over-the-counter drugs as well as nutritional and herbal products - in developing countries under Mega We Care. According to its website it operates in more than 21 countries, with manufacturing facilities in Thailand and Australia. Meanwhile, Maxxcare distributes products through other pharmaceutical firms in Vietnam, Myanmar and Cambodia. Some of the firms that make use of Maxxcare's services include Pfizer, GlaxoSmithKline, Novartis, Lupin, Fresenius Kabi and Unichem Laboratories. In 2012, Mega Lifesciences generated THB7bn (US\$225mn) in revenue, out of which THB2.3bn (US\$75.1mn) was generated from Myanmar.

## Suggested strategy:

Pharmaceutical trade profile of the country and other reports, coupled with a very low per capita expenditure of \$ 6.5 in 2013 suggests that, the people are mainly used to self medication and market indicators suggest that large amounts of traditional medicine is consumed which does not require a medical expert's suggestion. India's OTC manufacturers are to be encouraged to explore this market more seriously

India's increase in its Ayush exports to Myanmar in 2012-13 which has gone up to \$840, thousand from mere \$ 15 thousand in 2011-12 also in tune with Myanmar's market needs. India's Ayush exporters to be encouraged to explore possible manufacturing units.