

# Selecting a Pharmaceutical Company from Northeast Asia for Investment

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**Overview**  
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The pharmaceutical industry discovers, develops, produces, and markets drugs or pharmaceutical drugs for use as medications. Pharmaceutical companies may deal in generic or brand medications and medical devices. They are subject to a variety of laws and regulations that govern the patenting, testing, safety, efficacy and marketing of drugs.

**Overview**  
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Expected annual growth rate of 8.8 percent. Global demographic and economic trends are driving pharmaceutical companies to diversify by broadening their base of active classes. Increased administration and higher disposable income. Higher government expenditure on healthcare. Growing demand for more effective treatments.

**Outline**  
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- Chemicals
- Regulatory Entities
- Growth of the Pharmaceutical Industry
- Biggest Global Pharmaceutical Markets
- Top 10 Pharmaceutical Companies
- US Pharmaceutical Industry: Economic Impact
- Research and Development
- Domestic Market
- Trade Imports
- Trade Exports
- Trade and Tariffs

**Research and development (R&D)**

- The pharmaceutical sector has consistently been one of the most R&D intensive industries in the United States.
- R&D performed in the United States has become increasingly expensive relative to emerging economies in Asia.

**Domestic Market**

- The United States has one of the world's most sophisticated economic systems for the development and commercialization of pharmaceuticals with several market barriers.
- The United States is the world's largest emerging market for pharmaceuticals.

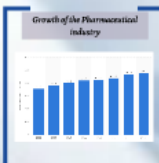
- High incomes per capita
- Unmatched access to healthcare
- Large elderly population
- Culture of end-of-life prolongation
- High rates of chronic diseases and drug consumption

**US Pharmaceutical Industry Economic Impact**

- The industry supports over 3.4 million jobs across the United States and added an estimated \$790 billion to the economy in 2016.
- Total pharmaceutical sales: \$330 billion (1.9% of GDP, 10.7% of total healthcare exp.)
- Per-capita pharmaceutical sales: \$1096

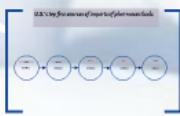


International drug regulatory entities  
www.mhlw.go.jp



**Biggest Global Pharmaceutical Markets**

Rank	Country	Value of Pharmaceutical Market (in trillions of \$)
1	USA	406.89
2	Japan	360.00
3	France	262.74
4	Germany	243.64
5	France	171.00
6	Spain	162.00
7	Italy	129.00
8	UK	102.00
9	Canada	87.00
10	Spain	80.00



**Trade Import**

- US imports were valued at over \$86 billion in 2015, making it the world's largest importer of pharmaceuticals.



**Trade Export**

- US exports were valued at \$20.5 billion in 2015. The top 10 export destinations for pharmaceuticals from the US are: Germany, France, Canada, UK, Italy, Spain, Japan, South Korea, Mexico, and India.

Trade and Tariffs

**Challenges and Barriers**

- Regulatory approval
- Pricing
- Tariffs
- Patentability
- Corruption

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U.S.'s top five sources of



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- US Pharmaceutical Industry :  
Economic Impact
- Research and Development
- Domestic Market
- Trade: Import
- Trade: Export
- Challenges and Barriers

# *Overview*

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# Overview

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- Expected annual growth rate of 4.9 percent.
- Several global demographic and economic trends are driving pharmaceutical consumption:
  - Rapidly aging world population
  - Rise in chronic diseases
  - Increased urbanization and higher disposable incomes
  - Greater government expenditure on healthcare
  - Growing demand for more effective treatments

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***FDA: Food and Drug  
Administration***

***MHRA, UK: Medicines  
& Healthcare products  
Regulatory Agency***

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***WHO: World Health  
Organization***

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WHO is charged with the tasks of developing and maintaining global norms, international standards and guidelines for the quality, safety and efficacy of drugs, and providing guidance in harmonization efforts.

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