



Competitiveness and Global Prospects of Pharmaceutical Industry of Bangladesh : An Overview

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Abstract

Bangladesh economy has already got recognition as an emerging economy. The major contributing industry might be Readymade Garments (RMGs) industry that contributes about 80% of the export earnings of the country. Some other non-traditional export items are also very potential in the export-basket of the country. Pharmaceutical industry is one of the most potential one in the country's economy. This industry is providing about 97% of the total medicine requirement of the local market. Like Readymade Garments (RMGs), this industry is also potential for the growth of the economy.

Keywords: API, MNCs, TRIPs, Competitiveness, Global prospects, etc.

Introduction

Bangladesh economy is at a take-off stage. Global competitiveness of a country depends on some competent brands or products of some industries. Bangladesh achieved appreciable competitiveness through RMGs by supplying 2% of the global demand that contributes 80% of the export earnings of the country. The pharmaceutical sector is one of the thrust sectors in Bangladesh. Before 1971, there were few remarkable pharmaceutical enterprises in Bangladesh and that continued till 1980s. This sector started to improve since 1980s.

After the promulgation of Drug Control Ordinance-1982, the development of pharmaceutical industry got an impetus. At present, the country is exporting medicines to global market including European countries after

meeting about 98% of the domestic demand for medicines. Recently, the industry has experienced a robust growth for a congenial drug policy and along with relaxations of rules under Trade Related Intellectual Property Rights (TRIPs). In addition, an 'Active Pharmaceutical Ingredient (API)' project has already been undertaken to supply the core material of the industry.

The industry has got expansion globally also. Local market grew at 23% in 2010, while import reached USD 50 million in that year. A number of firms has got accreditations from developed countries like the USA, the UK, Australia, etc. The industry is in transition period for post 2016, now 2030, when TRIPs will be implemented. All the firms in the industry are taking up preparations post 2030 scenario. Like RMG, this industry is very potential for the development of the country and hence deserves acute research attention enhancement of value addition of the economy.

Objectives of the Study

The study aims at representing the global potentials of Pharmaceutical Industry in Bangladesh and to highlight the necessity for patronization from the government.

Methodology of the Study

The study is a desk research. Different literatures have been reviewed to summarize the developments in this area. Customer's choice or perception has been collected and summarized.

Limitations of the study

Preparing the article, we have faced some obstacles which are:

- (i) Lack of proper information in the websites of the Pharmaceutical companies.
- (ii) Lack of necessary information in the journals and official publications of Pharmaceutical companies.
- (iii) Inexperience and time constraint is the limitation restricting this thesis from being more detailed.
- (iv) Secondary data has been collected from the hand books, magazines, which may be biased to the Pharmaceutical business.

1. Background of Pharmaceutical Industry in Bangladesh

Like other economies, Pharmaceuticals industry is the core of healthcare services of Bangladesh. A large population and higher birthrate, created high demand for medicine items in the country causing foundation for development of Pharmaceutical industry.

Bangladesh has a history of Pharmaceuticals industry parallel to colonial history of India. After partition and independence of Pakistan, a new history of Pharmaceuticals industry began in the 1950s. After liberation in 1971 and emergence of Bangladesh, the pharmaceuticals industry, like other industries was largely dominated by the 'Multi National Corporations' (MNCs). Gradually, local industries developed. Through the formulation of National Drug Policy, and Drug Control Ordinance, 1982; the industry was given some guidelines for development.

By then, 75% of the market was dominated by the MNCs, whereas the rest were shared by some 133 local firms. Since then, the local firms have established a stronger foothold, and the country has become from an import-dependent to an active exporter of pharmaceuticals products. At 2010, top 5 MNCs have approximately 9.05% of the market share and 97% of total local demand is met through local production.

Bangladesh gradually penetrated in the global pharmaceutical market and shown the highest growth among all countries in 2013 demonstrating an annualized growth of 24.58%. The record of growth in Global and Afro-Asian markets is growing at a rate of 6.70% and 15.70% only. For a consistent economic growth record of around 6%, recently Bangladesh was included on the Goldman Sach's "Next Eleven" list as well as the JP Morgan "Frontier Five". Their observation is that Bangladesh represents significant potentials to become an important global manufacturer of pharmaceuticals after China, India, Brazil and Russia.

2. Classification of Products in Pharmaceutical Industry

From the perspective of business nature, the industry can be classified as-

- i. High-End products (Anti-Cancer, Insulin, Vaccines, etc.);
- ii. Branded generics (Products with a brand presence);
- iii. Low End generics;
- iv. Contract manufacturing (domestic and export).

3. Current Market Scenario of Pharmaceutical Industry

(i) Marketing Strategy:

Bangladeshi Pharmaceutical companies are not allowed to do any direct promotion of their products since the regulatory policies prohibit it. The policy frame work for promotion of pharmaceutical products is guided by Directorate of Drug (DDA). DDA has a detailed Code of Pharmaceutical Marketing Practices (CRMP) regulates the promotion of pharmaceutical products and this excludes any form of direct marketing through media tools. To illustrate this, the pharmaceutical companies cannot promote their products or their company through the Television, Radio, Newspaper or any other form of printed media. The primary means of promotion for pharmaceuticals is through personal selling and trade marketing. The companies try to identify key opinion leaders namely the reputed doctors and convincing them to prescribe and promote the companies' products.

(ii) Operating Companies in the pharmaceutical sector:

Currently there are about 400 pharmaceutical companies in Bangladesh, of which 276 are registered pharmaceutical companies and are still in operation. These 276 companies have 5300 registered brands. The market is largely dominated by local companies and there are only 5 multi-national companies currently in operating. There are some factors which are affecting the pharmaceutical industry, these are given below :

(iii) Export market share of Pharmaceutical Industry

Item	Share in export earnings (in %)
Knit- ware	38.85
Ovenware	43.06
RMGs (Total)	81.91
Home Textile	2.26
Leather & Leather Products	3.33
Frozen Foods	1.59
Agricultural Products	1.68
Pharmaceutical items	1.46
Raw Jute & Jute-goods	2.64
Others	05.17
Total	100%

Source: Export Promotion Bureau Report, April 2016 (Noya Digonta June 03, 2016)

4. Strength of Listed Pharmaceutical firms

Strength of listed Pharmaceutical Companies are outlined below:

Company Name	Market Category
ACI (ACI Limited.)	A
ACIFORMULA (ACI Formulations Limited)	A
ACTIVEFINE (Active Fine Chemicals Limited)	A
AMBEEPHA (Ambee Pharma)	A
BEACONPHAR (Beacon Pharmaceutical Ltd.)	Z
BXPHARMA (Beximco Pharma)	A
BXSYNTH (Beximco Synthetics)	A
CENTRALPHL (Central Pharmaceuticals Limited)	A
GHCL (Global Heavy Chemicals Limited)	A
GLAXOSMITH (Glaxo SmithKline)	A
IBNSINA (The Ibn Sina)	A
IMAMBUTTON (Imam Button)	Z

JMISMDL (JMI Syringes & Medical Devices Ltd.)	A
KEYACOSMET (Keya Cosmetics)	A
KOHINOOR (Kohinoor Chemicals)	A
LIBRAINFU (Libra Infusions Limited)	A
MARICO (Marico Bangladesh Limited)	A
ORIONINFU (Orion Infusion Ltd.)	A
ORIONPHARM (Orion Pharma Ltd.)	A
PHARMAID (Pharma Aids)	A
RECKITTEN (Reckitt Benckiser (Bd.) Ltd.)	A
RENATA (Renata Ltd.)	A
SALVOCHEM (Salvo Chemical Industry Limited)	B
SQURPHARMA (Square Pharmaceuticals Ltd.)	A

Source: DSE Publications, 2016.

5. Environmental Issues

(i) Customer Perception about local brands

Customer is a person who buys the products as well as consumes the products and consumer only consumes the products (Chowdhury, 2000). Pharmaceutical industries are dealing with life- saving drugs; here customer choice does not change so rapidly. People may prefer one brand to another. But the medicine may carry the same compound / same ingredients. Customer choice depends on the customers' reliance upon the company. For example, Beximco's Napa, and Glaxo's Parapirol carry the same compound and used for the same purpose. But, the customer purchases one of them. Customers usually prefer some foreign medicine in case of sensitive problem. However, our local pharmacies do not produce all the sensitive drugs, especially injections. This research also conducted a small survey over the customer of medicinal product and their choices. The sample was taken from different hospitals and pharmacy that came to buy the products.

Customer's Choice Of Brand Name

Brand Name	Respondent (in %)
Square	38
Beximco	24
Incepta	16
Glaxo SmithKline	8
Acme	6
SK-F	4
Others	4

Source: Opinion Survey

(ii) Size of the Market

There are several sectors on which Bangladesh can be proud of and undoubtedly the pharmaceutical sector is one of these sectors, rather it is the sector, which is the second-largest contributor to the government exchequer. There are about 400 companies in this sector and the approximate total market size is about Taka 76,500 million per year of which about 97% of the total requirement of medicines is created by the local companies and the rest 3% is imported. The imported drugs mainly comprise of the cancer drugs, vaccines for viral diseases, hormones, etc.

Bangladesh Pharmaceutical Industry is now heading towards self-sufficiency in meeting the local demand. The industry is the second highest contributor to the national exchequer after garments, and it is the largest white-collar intensive employment sector of the country. There are about 450 generics registered in Bangladesh. Out of these 450 generics, 117 are in the controlled category, i.e. in the essential drug list. The remaining 333 generics are in the decontrolled category. The total number of brands /items that are registered in Bangladesh

is currently estimated to be 5,300, while the total number of dosage forms and strengths are 8,300. Bangladesh pharmaceutical industry is mainly dominated by domestic manufacturers. Of the total pharmaceutical market of Bangladesh, the local companies are enjoying a market share reaching around 80%, while the MNCs (Multi-national Corporations) are having a market share of 20%.

6. International Market of Pharmaceutical Industry

The global pharmaceutical market grew to \$808 billion in 2009, at a compound annual growth rate of 9.3% between 1999 and 2009. Year-on-year growth in the global pharmaceutical market decreased to 4.6% in 2009, largely as a result of cost containment in the US and major European markets and the impact of several blockbuster patents expires in 2008 and 2009. The top 10 companies ranked by pharmaceutical sales generated total sales of \$317 billion. The top ten companies are as following :

World's Top Ten Pharmaceutical Companies are –

COMPANYS' NAME	RANK
Teva	1.
Mylan Labs	2.
Sandoz	3.
Watson Pharma	4.
Greenstone	5.
Par Pharma	6.
Hospira	7.
Apotex	8.
Mallinckrodt	9.
Dr. Reddy's	10.

Source: Islam, M. N. & S. A. Mili (2011)

7. International export of Drugs from Bangladesh

Year	Export (in million US dollars)	Targets (in million US dollars)
2014 - 15	\$ 72.64	\$ 72.00
2015 - 16	\$ 82.82	\$ 80.00
2016 - 17	\$ 89.82	\$ 85.00
2017 - 18	\$ 103.46	\$ 100.00
2018 - 19	\$ 129.95	\$ 120.00

Source: EPB, Export Statistics (2019)

8. International Market of Ten Blockbuster Drugs (Figures in Million)

World's Top Ten Blockbuster Drugs are -

RANK	PRODUCT NAME	COMPANY	ANNUAL SALES (in million US dollars)
1.	Lipitor	Pfizer	\$12.50
2.	Plavix	Bristol-Myers Squibb and Sanofi-Aventis	\$9.50
3.	Advair	GlaxoSmithKline	\$7.70
4.	Enbrel	Amgen	\$6.20
5.	Diovan	Novartis	\$6.00

6.	Remicade	Johnson & Johnson	\$5.90
7.	Avastin	Roche/Genentech	\$5.70
8.	Rituxan	Roche/Genentech	\$5.60
9.	Humira	Abbott Pharmaceuticals	\$5.50
10.	Seroquel	Astra Zeneca	\$5.10

Source: Islam, M. N. & S. A. Mili (2011)

9. Inflation and Its Impact on Pharmaceutical industry

Higher Inflation is generally negative for any industry because it causes higher market interest rate, it increases uncertainty about future price and cost and it also harms industry as a whole. The inflation rate in Bangladesh was recorded at 7.2 percent in October of 2012. Historically, from 2001 until 2012, Bangladesh Inflation Rate averaged 8.3 Percent which may lead the people to invest less. Inflation harms the industry by increasing the cost of raw materials. As a result the price of the product also increases.

10. Structural or Economic Changes

(i) Demographic

There is a big opportunity lies ahead for the Pharmaceutical Industries as the population of country are increasing day by day. Medicine consumption varies region wise because the demand-supply balance, per capita income and level of industrial development differ in each region. According to the UN Population Fund (UNFPA) thesis 2010, 28% people of our country live in urban areas where the population growth is 3.2 per thousand. Urbanization and demand for accommodation is increasing day by day. Thus it is expected that the real sector will grow steadily with the household users increasing Pharmaceutical consumption pattern. With a consistent GDP growth rate around 6%, expected population growth rate 1.55%, Health expenditure per capita growing an average rate of 8.7% and continued pattern of increased life expectancy and poverty reduction, an expected growth of Pharmaceutical Industry 15% can be expected for period up to 2016 for the local market.

(ii) Life style

'Globalization' is an important factor in today's lifestyle. Standardization of the product is so important for this. People are very exposed to world class product, marketing standards, professionalism, privatization, expertise, efficient management and efficiency.

(iii) Technology

The overall business activities of pharmaceuticals can be classified in three layers. The primary layer is R&D Activities – where research and development of new drugs are done, and this business concerns Drug Discovery, and development. This is often a very costly and high risk business, and for many of global Pharmaceutical firms, represent the majority of costs. However, in Bangladesh, this activity is nil, and all the firms are producers of known and established drugs.

The second layer is manufacture of ingredients for finished formulations. These activities cover production of Active Pharmaceutical Ingredients (API), Excipients, and Solvents etc. that are used as raw material in producing the final drug formulations. Among these, the major business area is in production of APIs, also known as Bulk drugs business that has a large global market. In Bangladesh, companies have only recently entered API business. They are also producing other necessary ingredients as well, but the overall production is very low compared to total demand.

The final layer concerns producing final products, finished formulations. In this layer, there are both patented and generic products. However, in Bangladesh, only generic products are produced.

(iv) Politics & Regulations

Political instability and inconsistency of political courses are a serious problem for the Pharmaceutical Industry.

Lack of surveillance from govt. ministry encourages many companies to follow some unethical practices. In the budget of 2012-13, Pharmaceuticals industry has seen some positive moves, those are -

- Withdrawal of VAT (15%) and Import duty (5%) from leukocyte filter import by pharmaceutical companies.
- Withdrawal of supplementary duty (20%) and reduction of import duty (12% from 25%) for Cartridge/ Membrane filters import by pharmaceutical companies.
- Reduced duty (3% from 12%) for sandwich panel import by pharmaceutical companies.
- Reduced duty for import of certain pharmaceuticals raw materials (5% from 12%).
- Extending eligibility for tax holiday from June 2011 to June 2013.

The declared moves will most likely result in following changes –

- Reduced duty will lower product cost for certain product classes (Anticancer drugs, Analgesics, Antipyretics, and Injectables) providing potentials for local pharmaceuticals manufacturers.
- In addition, completion of the API Park within 2011-12 (2020-2021) would provide pharmaceutical industry a cheaper source of API, improving cost efficiency. Meanwhile, tax holiday would help reduce eligible producers' (API and Finished formulation) tax obligations and achieve better return. Active Fine Ltd. will be one of the major beneficiaries from the inclusion of this sector under tax holiday.

11. Govt. Policy Support to Pharmaceutical Industry

Period of Tax Holiday and Tax Holiday Rate			
For Dhaka and Chittagong divisions (excluding districts of Dhaka, Narayanganj, Gazipur, Chittagong and three hill districts)		Other divisions and three hill districts	
Tax holiday period	Tax holiday rate	Tax holiday period	Tax holiday rate
First two years	100%	First three years	100%
Next two years	50%	Next three years	50%
Next one year	25%	Next one year	25%

12. Evaluation of Pharmaceutical Industry Life Cycle

Life Cycle of Pharmaceutical Industry in Bangladesh can be divided into four stages. The stages are:

- ◆ Introduction ◆ Growth ◆ Maturity ◆ Decline

Introduction:

This is the first stage. At this stage demand for product remains low and profit margin is not satisfactory. At this level Pharmaceutical companies used to produce herbal products as technological progress had not made yet. Under the herbal segment, two major classes are Ayurvedic and Unani, and Square have the first-mover advantage in this sector though they will face competitions from ACME, Renata, and they are already facing indirect competitions from Hamdard, Herbal care, Holy drugs and few other companies. The herbal sector has lots of growth potentials in the market due to the fact that, in rural areas herbal treatment is very popular, because of people's belief that Ayurvedic treatment is better than therapeutic medicines.

Growth:

At this stage company products become familiar to customers and demand for products increases as well as profit margin. The overall pharmaceutical is in the growth stage, though there are sub-industries within the main industries which are in the different stages in the industry life cycle. If we take the overall industry output, it can be seen that the growth of the pharmaceuticals in Bangladesh is tremendous, and the industry has a lot of growth potentials given the fact that, there are fierce competitions in the market and companies are

coming up with strategies to compete in a niche or specialize in at least in one of the segments. Square leads the therapeutic segment which is a major disease class in Bangladesh due to their strong distribution system and key sales personnel. In animal health care medicines, Renata, ACI pharmaceuticals, Sanofi-Aventis, General pharmaceuticals compete with each other for major market share.

Maturity:

At this stage demand increases but competition also increases therefore company cannot make satisfactory profit. Homeopathic segments seem to be little in the industry shakeout stage in between decline and maturity due to the fact that, people do rely more on allopathic treatment rather than homeopathic medicines and this segment is being covered by small and medium pharmaceuticals in the rural areas and also by some doctors. To compete for major market share, firms focus more on introducing new brands under each therapeutic class, and Cephalosporins & combs, Antiulcerant, Antihistamines systemic are the major therapeutic class in which companies launch number of brands.

Decline:

At this stage demand declines and company faces negative profit margins. Overall Pharmaceutical industry has not yet reached at this stage. But Homeopathic segments seem to be little in the industry shakeout stage in between decline and maturity as peoples' faith on allopathic treatment is increasing.

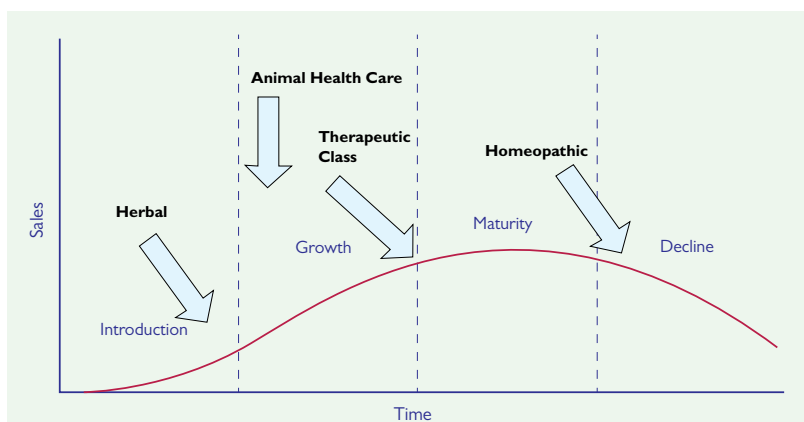


Fig. 01: Industry Life Cycle of Pharmaceuticals in Bangladesh.

13. Market Share of Pharmaceutical Industry in Bangladesh & Foreign

Bangladesh Market Share of Pharmaceutical Industry:

There are 276 small, medium and large local and multinational pharmaceutical companies operating in Bangladesh. Of the companies, the top ten companies take up nearly 70 percent of the total market, according to an IMS survey conducted in 2008.

Bangladesh's Top Ten Pharmaceutical Companies

Rank	Company Name	Value (Cr. Tk.)	Growth (%)
1.	SQUARE	1,156.15	13.36
2.	INCEPTA PHARMA	527.31	31.09
3.	BEXIMCO	464.99	19.36
4.	ESKAYEF	297.48	24.90
5.	OPSONIN PHARMA	293.02	23.65
6.	RENATA	282.21	30.75
7.	ACME	278.83	7.80
8.	A.C.I	255.14	6.48
9.	ARISTOPHARMA	244.37	13.59
10.	DRUG INTERNATIONAL	239.34	34.24

Source: Islam, M. N. & S. A. Mili (2011)

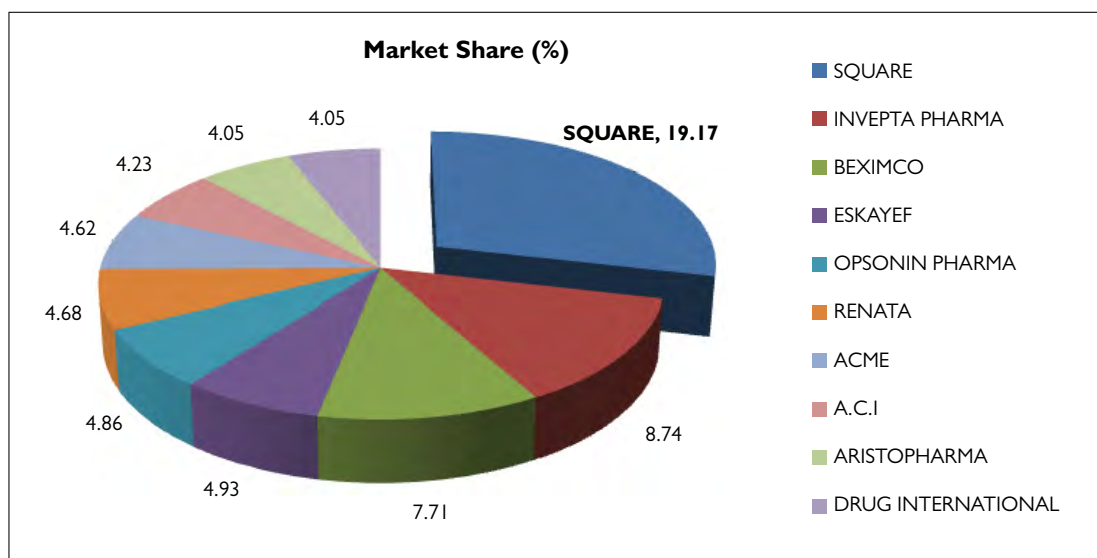
There are several products of different companies in the market and brands of SPL are well accepted. Top 20 products represent 14% of total market and among them there are nine products of SPL and also top ten product list has six names of SPL brands on it. Top ten brands of Bangladesh pharmaceutical industry are as following :

(i) Bangladesh’s Top Ten Products

Rank	Product	Value (Cr. Tk.)	Share (%)	Growth (%)
1.	Seclo (SQA)	89.69	1.49	20.75
2.	Losectil (ESF)	71.50	1.19	84.88
3.	Neotack (SQA)	51.76	0.86	2.52
4.	Neoceptin R (BXM)	50.94	0.84	-9.94
5.	Pantonix (IAP)	47.43	0.79	20.90
6.	Napa (BXM)	47.11	0.78	-1.41
7.	Cef-3 (SQA)	43.75	0.73	9.50
8.	Ciprocin (SQA)	43.31	0.72	-9.83
9.	Zimax (SQA)	36.92	0.61	26.83
10.	Lebac (SQA)	31.65	0.52	7.34

Source: Bhuiyan, M. A. R., et al, (2011)

(ii) Market Share of Bangladesh’s Top Ten Pharmaceutical Companies



Source: Bhuiyan, M. A. R., et al, (2011)

According to market share percentage, Square Pharmaceutical Ltd is also the leader by a high margin and Drug International has lowest margin.

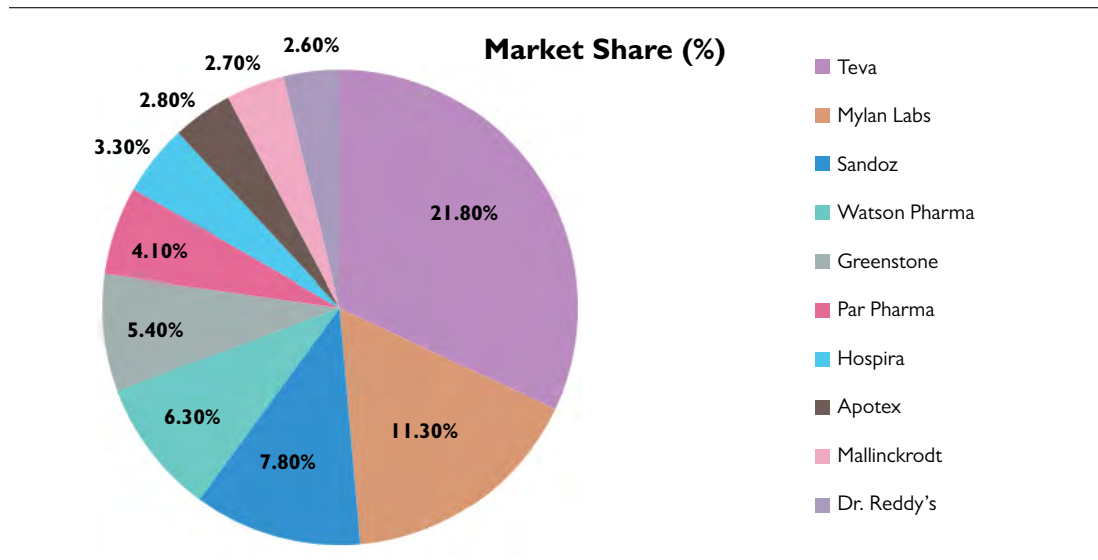
14. Foreign Market Share of World’s Pharmaceutical Companies

The major five Germany, France, Italy, Spain and the UK, together accounted for over 60% of all European pharmaceutical sales in 2009. The US pharmaceutical market grew by 3.0% in 2009 to \$300.3 billion with highest growth in mail services and clinics. The pharmaceutical market in the Asia Pacific region was \$69 billion in 2009 as against \$56.95 billion in 2008. The top 10 products alone contributed \$3.3 billion to the pharmaceutical market in the Asia Pacific region in 2009, as opposed to \$2.74 billion in 2008.

According to IMS Health report, Lipitor, one of the top performing products of Pfizer leads the competitive market of Asia Pacific region with sales revenue of \$800 million in 2009. The global pharmaceutical market is

forecast to grow to \$1,033 billion in 2014, an equivalent CAGR of 5.0% over the next five years.

(i) Market Share of World's Top Ten Pharmaceutical Companies



Source: Bhuiyan, M. A. R., et al, (2011)

15. Analysis of Competition

Competitive structure of Pharmaceutical Industry in Bangladesh can be analyzed in following way:

(i) Degree of concentration

Being Branded-generic product oriented business, manufacturers usually are able to charge a premium for established brands, and enjoy a relatively stable market share. As a result, the list of top performing firms has been quite consistent over the years, with the leader, Square pharmaceuticals topping since 1985. Over the last three years, the top 4 players are consistent, with 5th to 10th position interchanged among 6 market players. As a total, top 5 firms capture on average 45% of the aggregate market. Adding 5 more to the list brings on average 66% of total market to Top 10. Thus the market is very much concentrated.

(ii) Market Dominance

Prior to formulation of National Drug Policy and Drug control ordinance, the market was chiefly controlled by MNCs, holding about 75% of total market (1985). Since then, market structure has changed, and now local firms dominate the industry. At present, 97% of local demand is met from local production, and the top 10 MNCs (Multi National Companies) possess only 9.05% of market share, compared to 67.6% held by local top 10 firms.

16. Challenging Issues for Pharmaceutical Industry

For industry analysis we should not only measure performance but also take into account challenging issues that hamper its performance. An industry has to encounter following risk factors:

- ◆ Business Risk: It arises due to sales volatility.
- ◆ Financial Risk: It arises due to improper debt/equity ratio.
- ◆ Liquidity Risk: It arises due to lower operating cash flow.
- ◆ Exchange Rate Risk: It arises due to different currency valuation system.
- ◆ Country Risk: It arises due to political instability.

The above risks are common to all industry including Pharmaceutical also. But there are certain challenging issues which affect only Pharmaceutical Industry. These issues are:

- ◆ Primary role is to discover, develop and successfully market innovative products to cure diseases, to ease suffering and to enhance the quality of life.
- ◆ To ensure that humanity continues to benefit from pharmaceutical innovation.
- ◆ To define an equitable way for sharing the economic burden of pharmaceutical development among the various segments of society.
- ◆ To ensure that research, development and application of pharmaceuticals are conducted in harmony with society's ethical and cultural standards.
- ◆ Other key challenges include-
 - ❖ The issues of marketing practices
 - ❖ Animals used in research and development
 - ❖ Accountability for suppliers and contractors.

17. Problems and Prospects of Pharmaceutical Industry

(i) Problems of Marketing

- a. Because of having no sufficient incentives in comparison with their effort, turnover rate of medical representatives is very high.
- b. Most of the time costs of marketing hardly affect the price of the medicine.
- c. Professionalism in marketing is not achieved yet in Bangladesh like other developing countries.
- d. Lack of proper governmental laws and also less effective implementation of available laws by the drug administration.
- e. Unstable political situation and different types of violence.
- f. Effect of globalization that has increased the competition.
- g. Smuggled products or counterfeits, that come from the neighboring countries.

(ii) Prospects of Marketing

- a. Marketing system is improving in this sector and proper marketing may help a firm to achieve the aim.

- b. For free and fair competitions marketing can play a major role.
- c. Marketing can be regarded as one of the most important weapons to face the challenges of open market economy.

(iii) Problems of Foreign Competition

- a. Foreign competitors have more equipment, technology and plant facilities than that of locally owned firms.
- b. Foreign competitors have their own local market so that they can absorb some losses here.
- c. Foreign competitors get government help in some cases.

(iv) Prospects of Foreign Competition

- a. Foreign competitions made the country firms more eligible to face challenges that arose after the year 2005.
- b. Pharmaceuticals will become more efficient in producing medicine which may save our lives.
- c. The local firms will not face any rigorous problem in foreign countries as they are accustomed in competition with foreign firms.

(v) Problems of Export

- a. Unstable political situation is one of the vital reasons for not achieving the expectation in export.
- b. Problems of port (both sea and air) hinder the timely export.
- c. Irresponsibility of customs officers is a regular phenomenon which results in increase on the price and cost of medicine.
- d. Sometimes competition tends to follow unfair promotional activities.
- e. The products of the pharmaceuticals industries of Bangladesh are yet to be standardized to be of world class.

(vi) Prospects of export

- a. Competition is increasing the quality of medicinal products.
- b. For surviving in the future, competitive environment is necessary.
- c. Competition reduces monopolistic attitude of the firms. As a result, the Customers will be benefited by getting quality products.

- d. Export brings foreign currencies for the country which is helpful for the reserve of the country.

(vii) Problems of Customer Choices

- a. One main problem is in producing rare drugs foreign companies are ahead of us in terms of quality, experience and market share.
- b. Most of the time, to purchase the medicinal products is not depending on the customer choice. Customers buy their product according to the prescription of doctors.

(viii) Prospects of Customer Choices

- a. By increasing quality, more customers as well as market share can be absorbed.
- b. By producing rare drugs at home, the country can save its foreign exchange.
- c. By extensive promotional activity, customer choice can be driven.

(ix) Problems of Power Development

- a. Like other industries, there is a crucial problem faced by the pharmaceutical industries that is power generation problem. They are not getting power according to their demand.
- b. 'Red-Tapism' of govt. offices hinders the development of power generation sector, where the government is not taking effective actions.
- c. Lack of opportunity to supply the emergency power to smooth continuation of production in pharmaceutical sector.

(x) Prospects of Support by Power Development

- a. By following all the rules and innovating alternative power supply source, this sector may enter in the world competitive market.
- b. Pharmaceuticals may open a big door of prospect in the foreign market by power supply.

Recommendations:

From the preceding discussions, we can realize that the government and the Pharmaceutical industrialists should adopt effective measures in order to make good use of the opportunities and to tackle the threats for ensuring development of the Pharmaceutical Industry. The following actions are suggested:

Expanding Pharmaceutical Market:

Every Pharmaceutical company faces ever-increasing pressure to keep pipelines full control R&D costs, deliver more drugs to market and build shareholder value. To succeed in this environment, it needs a partner with the knowledge and esthetes to propel innovation and accelerate the drug development process.

Market Development for Pharmaceutical Product:

All pharmaceutical companies in the world have now in competitive position and require a professional approach in reaching to the markets. An effective market development for Pharmaceutical products in various countries can bring key success for it. Proper channel should be built. The channel to such market is a part of the Market Management Program, where the organization brings to the client the understanding approach to a specific market and helps the organization to manage the market for better profits.

Apply Field Force Strategy:

Field force is one of the most important parts for any pharmaceutical company. If the pharmaceutical company needs to create good market share then Field Force, Medical Promotion Officers, Regional managers are the key personnel. They must know a better way of marketing management. The total marketing strategy should be very clear to these people. Again with the expert field force it is not possible for the pharmaceutical company to sell their products.

Proper Distribution and Sells through the help of HR:

Each department of the organization should have to help each other. Not only to help each other, but also the departmental heads work as a team to achieve the goal of the organization. Human Resource department should be playing the key assembler of the entire department. Marketing and other departments should help the management to take quick decisions as well.

Introduction of new products:

The Introduction of new product is essential for maintaining growth of domestic companies and also helps in promoting of products of the companies. Launching of new products makes a company different among the competitors. Leading domestic companies take this issue very seriously as a matter of prestige.

Establishment of joint venture projects:

Joint Venture projects are profitable for Bangladesh, as this will ensure technology transfer. Government of Bangladesh has to do much in this regard for attracting foreign investments to foster pharmaceutical industry.


Pharmaceutical Industry & Government have to build a separate plant and also a Pharmaceutical Industry Park for Manufacturing Medicine immediately.

Government has to employ more skilled workforce to enhance the performance of Pharmaceutical Industry.

Policy should be taken to ensure transformation of all pharmaceutical plants of Bangladesh according to WHO guidelines for producing generic version of patented or molecule through 'Reverse Engineering'. Active support for Research and Development (R & D) is needed on molecule and innovative health care items.

New entrepreneurs should be encouraged to establish plants for producing patented necessary drugs through 'Compulsory Licensing' as per regulations of USFDA and UKMHRA to earn the necessary norms to export in prospective markets under the government support and supervision in the global arena.

Conclusion:

In present Pharmaceutical Industry is too much important to the business sector. There are many companies that produce high quality medicines. New company comes to this sector and produce quality full medicines. For this reason competition in this industry is increasing day by day. Not all firms in this sector do well but most of them perform well. A new era has begun for Bangladesh pharmaceutical sector with the TRIPs agreement from 2005 and would continue up to 2030. These period is be very crucial and important for the pharmaceutical industry. New technology should be developed so that some new kinds of medicines add in the product line and it can be used in various establishments. Progress in Pharmaceutical industry means progress in economy. So we have discussed about both the problem and prospects of Pharmaceutical Industry in Bangladesh. The progress of Pharmaceutical industry depends on the progress of economic condition .Pharmaceutical industry also faces many problem. So if we develop economic condition as well as overcome the problems, it will help a lot to flourish this industry in our country. 

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