

# Pharmaceutical Industry in Latin America – An Overview

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# Some Basic Facts (1)

- Population in excess of 600 million
- GDP of ~ \$5.7 Trillion
- 7 Countries representing ~ 87% of total GDP and 80% of the population
- GDP growth around 3%-5%, thru 2014
- Inflation ~ 7%
- 2 countries (Brazil and Mexico) as key drivers of the region, in absolute terms
- Macroeconomics are stable with the exception of Argentina and Venezuela

# Some Basic Facts (2)

- Political stability, with some notable exceptions
- Democracy and rule of law
- Dramatic reduction of extreme poverty levels
- Rise of emerging middle class
- Health Care is a “right” in most of the countries

# Health Care System

- Governments provide most of HC
  - Various degrees of public / private participation
- Governments making an effort for better coverage/ access
  - Plan Auge (Chile), Seguro Popular (Mexico)
- Average GDP expenditures of  $\sim 8\%$ 
  - 4-5% in Peru to 9.3% in Argentina
  - Below \$300 in Ecuador to almost \$1,300 in Brazil

# Pharmaceutical Market General Characteristics

- Out of pocket markets
- Strong brand loyalty and quality awareness
- Limited prescription enforcement
- Strong role of distributors and retailers

# Pharmaceutical Market

- Total Market of ~ \$65 Billion
- Growth of around 12% for the next 4-5 years
  - Real growth significantly lower
- Public / Private split of 25%-75%
  - Argentina 90% private
- Market extremely concentrated
  - Brazil and Mexico with over 75% of total

# Key Pharma Trends (1)

- Continuation of rapid growth of Branded Generic and Generic markets
- Middle class segment driving private market growth
- Radical power shift in the distribution and retail structures
- Increasing importance of the institutional market
- Rapid growth of biologics with momentum towards “biosimilars”

# Key Pharma Trends (2)

- Increasing competition from local, regional and multinational companies.
- Increasingly challenging regulatory environment
- Increasingly nationalistic agenda
- Global Clinical Trials increasingly conducted in the region
- Limited supply of talent



# Thank You