

Beirut March 14th 2018

Pharma Market Data

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The market size: Sources and Unit of Measurement

None of the figures that circulate in the Media about the size of the pharmaceutical market in Lebanon are accompanied by the required information about the sources of such evaluation and the unit of measurement used.

LPIA has consistently followed over the past years a systematic approach that can be described as follows:

The market can be divided into three categories with their relevant source of statistics:

<u>Category</u>	<u>Source of Info</u>
Pharmacies	IMS
Hospitals	IMS as of the year 2015
Public Institutions	Purchase info available at each public institution

The international unit of measurement of pharmaceutical markets is the Net Selling Price to market (NSP).

Based on the above, LPIA has evaluated **the pharmaceutical market for the year 2016** as follows:

<u>Category</u>	<u>2016 in Millions \$</u>	<u>2017 in Millions \$</u>	<u>Variation %</u>
Pharmacies	833	877	+5.18%
Hospitals	163	172	+5.52%
Public Institutions	110	110	0%
<u>Total</u>	<u>1,106</u>	<u>1,159</u>	<u>+5.24%</u>

The factors that influence the dynamic of the pharmaceutical market can be described as follows:

Pushing down

Pricing rules are being modified from time to time pushing prices down.

[pricing Decision # 796/1 dated April 2014]

The obligation made to the manufacturers to update their pricing documents every 5 years [during the 1st month of the 5th year]

[Pricing Memo dated 29 Feb 2016]

Regular introduction of low-priced generics

Pushing up

Better diagnostic of diseases

Increase in self-medication (more awareness)

Increase in population

Regular early access of new molecules and biotech pharmaceuticals at high prices

Exchange rate factor when prices of import currencies go up against LBP

[Euro up in 2016 by 3.8% vs. 2015]

[Euro up in 2017 by 2.86% vs. 2016]

The Origin of registered pharmaceuticals

Origin	%age in number of products
Lebanon	22%
France	10%
Germany	10%
Jordan	7%
Italy	5%
Spain	4.3%
Switzerland	3.6%
UK	3.5%
USA	3.3%
Canada	3%
India	3%
Saudi Arabia	2.7%
Belgium	2.6%
United Arab Emirates	2.6%
Austria	2.2%
Others	15.2%
