

Bangladesh's burgeoning pharmaceutical sector: A potential hub for global contract manufacturing operations

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Introduction: Being one of the world's leading industries the global pharmaceutical industry revenue is \$11205 billion in 2018 (growth rate of 5.8%). Bangladesh is the only least developed country around the globe that meets up to 97% of its demand for pharmaceutical products through local production, with a market size of nearly \$2.5 billion with 15.6% Compound Annual Growth Rate (CAGR) for the last 5 years. In addition, Bangladeshi pharma products are being exported to 199 countries which generated over \$100 million in 2018. There are a good number of successes in Bangladesh in which we take pride and undoubtedly the pharmaceutical sector is one of the best.

Objectives: It is one of country's most success story and one of the most technologically advanced dynamic sectors currently in existence. The aim of the study is to examine the current scenario of the pharmaceutical industry in Bangladesh and compare/contrast the competitiveness in terms of overhead cost, compliance issues (i.e. Patent, IP and Legal) or other factors. Comparison has been mainly conducted against India and China as these two countries have equivalent/better infrastructure for pharma operation. This paper is based on both primary and secondary data. The primary data is based on interview findings. Interview of pharmaceutical owners and senior level executives of six renowned pharmaceutical companies were collected. In addition, the Director of the Drug Administration (the regulator) and two key leaders of the Association of Bangladesh Pharmaceutical Industry were also taken. A face to face interview was conducted using a questionnaire..

Results: Follow up interviews were conducted over telephone to clarify policy and trade issues. Secondary materials were extensively used to identify critical factors affecting the pharmaceutical industry in different countries. The sources of secondary data include published articles from various journals, working papers, WTO website, published interviews, TWN (Third World Network) briefing paper, conference papers, newspapers and other e-sources.

Conclusions: Key unique advantages of Bangladesh pharma industry which put Bangladesh ahead of other competitors were: Patent waiver up to 2032; reverse engineering of new molecules for API synthesis (already stopped in India and China); and overhead cost (manpower+ utility cost) per unit

conversion cost of product is 30% less. Other influential factors are: Use of high tech and high-speed EU origin machines, skill people, no data integrity and falsification incident during any USFDA/EU inspection, English proficiency and social security.