

Domestic pharmaceutical cos gaining grounds

KATHMANDU, MAR 02 –

Although Nepal's domestic medicine [market](#) is still dominated by foreign products, particularly the Indian products, domestic manufacturers are increasing their [market](#) share.

The entry of private sector pharmaceutical industries after 1990s changed the face of the domestic drugs [market](#) which was once overwhelmingly dominated by foreign products.

According to the Pharmaceutical Producer of Nepal (Appon), the domestic companies now occupy an "impressive" share in the domestic [market](#) of more than 40 percent.

The domestic [market](#) for pharmaceutical products is currently estimated at Rs 20 billion. Domestic manufactures are estimated to have a cumulative turnover of Rs 9 billion. According to a study conducted by South Asia Watch on Trade Economics and Environment (Sawtee) in 2005, domestic producers covered 30 percent of the [market](#), which suggests the Nepali pharmaceutical industries' share in the domestic [market](#) has increased by 10 percent.

Such is the growth of pharmaceutical industries that at one point of time when many manufacturing industries seem to be performing badly, investors seem to be confident and willing to invest in the pharmaceutical industries. "We are seeing at least one new industry joining the fold every year and this is a healthy sign for the industry," said Appon President Umesh Lal Shrestha, adding that the quality and zeal of manufacturers to move with the global trend have helped them to attain an impressive growth.

According to him, there are at present 45 pharmaceutical industries in operation and 12 industries have been registered, which are expected to come into operation soon. The 45 industries in operation at current are estimated to be having an investment of Rs 12 billion.

Shrestha said that the domestic industries could capture 70-80 percent of the domestic [market](#) share, if the sector succeeds to maintain current trend till 2025. Evolving from normal drugs like paracetamol, a few antibiotics and tonics, the Nepali manufacturers, according to Shrestha, are now producing essential drugs for cardiac, diabetic and liver patients, among others.

The Nepali drugs manufacturers have also started exporting medicines, with Lomus taking a lead on this front. Beside Lomus, four other domestic drugmakers—Nepal Pharmaceuticals Laboratory (NPL), Deurali-Janata Pharmaceuticals, Elder Pharmaceuticals and National Health Care Nepal—have received the Certificate of Pharmaceutical Product (CPP), one of the prerequisites for obtaining the export licence from the Department of Drug Administration (DDA). Hari Bhakta Sharma, founder and executive director of Deurali Janata Pharmaceuticals, said that despite having immense potential, the sector is yet to achieve its full potentials.

Lack of government initiative to promote the sector, according to Sharma, has played a spoilsport. "We don't have sound economic and social environment for the industrial operation. Pharmaceutical industries can achieve much more than what it has so far," Sharma said, urging the government to do more to promote domestic companies rather than increasing dependency on imported products.

According to Sharma, domestic companies are running only on 50 percent of their installation capacity. "Some government policies need to be changed for industries to operate in full capacity," said Sharma.

Appo President Shrestha agrees with Sharma when he says, "We are not demanding harsh policy on drug imports. We just want government to prioritise domestic production," he said, urging the government to at least amend its tender procedure for drug purchases.

"The tender procedure seems more oriented towards importing drugs. Since domestic products are equally competitive, the government should make the process compatible with the domestic industries," Shrestha stressed. Despite having several constraints like power crisis and labour unrest, the domestic pharmaceutical industries have attained an encouraging growth.

Manufacturers say that the sole factor behind the growth is quality. "Some of the companies are able to compete even in the global [market](#)," said Sharma. Likewise Shrestha added that ever since five Nepali companies won WTO Good Manufacturing Practice (GMP) in 2004, most of the companies seem to be more cautious about quality.

"While new companies are using latest available facilities for manufacturing drugs, old ones too are upgrading," said Shrestha. "In fact, drug manufacturing are doing everything they possibly can to maintain quality."