

All Your Ingredients In One Magazine

# Ingredients

## SOUTH ASIA

A Saffron Media Publication  
Vol. 15, Issue 16, Pages-44



MANUFACTURER & SUPPLIER OF  
**PHARMACEUTICAL  
EXCIPIENTS**  
GLOBALLY


**NITIKA**

Impacting Human Lives Positively


**TABLUBE**

Magnesium  
Stearate


**NOVALUBE**

Sodium Stearyl  
Fumarate


**PHARMAPEG**

PEG


**NEUTRA**

Simethicone


**EFFERLUBE**

Excipient Premix For  
Effervescent Tablet


**ACILUBE**

Stearic Acid Powder

CUSTOMISED SOLUTION PROVIDER  
FOR YOUR **EXCIPIENTS** NEEDS

[enquiry@nitikapharma.com](mailto:enquiry@nitikapharma.com)

| 1800-1211-059

| [www.nitikapharma.com](http://www.nitikapharma.com)

MINERAL SALTS

EXCIPIENTS

ANTACID ACTIVES





# Active Pharmaceutical Ingredients market in Middle East

DR SANJAY AGARWAL

**W**HILE talking about the API market in the Middle East, the regions in Africa cannot be skipped. From Morocco to Iran, the Middle East and North Africa region comprises 18 countries. The region's pharma sector has gradually grown, and more than 140 companies now operate there. The MENA pharmaceutical market accounts for about 2% of the global market. The pharmaceutical business in the Middle East and North Africa (MENA) has proliferated. It is expected to reach roughly US\$60 billion by 2025, with US\$1.2 billion set aside in the 2019 budget for healthcare.

With governments in the region increasingly focussed on the well-being of a rising population and improving healthcare facilities, timely and safe delivery of medical supplies and pharmaceutical products has paved the way for a bright future for the region's pharmaceutical industry. According to studies, the region's pharma sector is mainly driven by strong population growth, greater life expectancy, the prevalence of lifestyle-related disorders such as diabetes, and a need for high-quality healthcare services among countries in the region.

**Middle East API Market Analysis and Insights**

In the projected 2021 to 2028, the Active Pharmaceutical Ingredients (API) market is expected to increase. According to Data Bridge Market Research, the market is predicted to develop at a CAGR of 6.4 per cent from 2021 to 2028, with a total value of US\$9,472.58 million. The rising prevalence of numerous chronic diseases and an aging population are the primary factors driving the API market demand throughout the projection period.

The classical Greek term for API is *pharmakon* or *pharmakon*, which means "magical substance" or "drug." "Any material or combination of substances intended to be utilised in the making of a drug product that, when used in the manufacturing of the drug, forms an active pharmaceutical ingredient," according to ICH Q7. Such drugs provide pharmacological action.

Increased technical improvements will improve market players' capabilities and production skills, allowing manufacturers to deliver APIs in quantity and match consumer demand, thus driving the API market forward. The availability of substandard and counterfeit medications hinders the active pharmaceutical ingredients market's demand. The active pharmaceutical ingredients industry will see increased growth potential as more money is invested in the research and development of APIs.

During Covid-19, disruption in the API supply chain posed a difficulty for healthcare providers, posing a threat to the active pharmaceutical ingredients market.

The API market report details market share, new developments, product pipeline analysis, and the impact of domestic and localised market players. It also examines opportunities for emerging revenue pockets, changes in market regulations, product approvals, strategic decisions, product launches, geographic expansions, and technological innovations.



## Possibilities for Expansion

The changing demographic pattern (increasing aging population) is predicted to drive pharmaceutical demand in the Middle East, thanks to favourable demographics and increased life expectancy. Over the next 10 years, the proportion of the population aged 65 and up is predicted to rise from 2.7 per cent to 4% of the total population.

The Middle East has experienced annual population growth of over 2.7 per cent. In the next few years, high life expectancy and rapid

CONTINUED ON p18 ►

23

YEARS OF EXCELLENCE  
IN PHARMA INDUSTRY



**Shagun Pharmaceuticals**

APIs & Excipients

www.shagunpharma.com

Available Products  
Telmisartan  
Clopidogrel Bisulphate



**Zefelabs (I) Pvt.Ltd.**

Mfg. of Virgin Linseed Oil BP

www.oilin.in



# VIRGIN LINSEED OIL B.P.



DOCUMENTS AVAILABLE / DMF & STABILITY DATA



SCAN PRODUCT LIST

**DEDICATED PLANT FOR YOUR REQUIREMENT OF ANY VIRGIN OIL**

- BLACK SEED OIL • WALNUT OIL • ALMOND OIL • COCONUT OIL • JOJOBA OIL
- SESAME OIL • MUSTARD OIL • FLAXSEED OIL • OLIVUM LINI

206, Sapphire Heights, A.B. Road, Indore-10 (M.P.) INDIA

Tel. : +91 731 2572525 Mobile : +91 92291 63608 Email : info@shagunpharma.com

► INDORE ► CHANDIGARH ► BARODA ► BADDI ► DAKACHYA



# UAE transforming into source market

CONTINUED FROM p17▶

population expansion will drive pharmaceutical demand. Higher healthcare demand has resulted from rising healthcare awareness and per capita income. The infant mortality rate has decreased dramatically over time due to improved healthcare facilities and medication. Furthermore, governments are developing various national health programmes to raise disease awareness. The UAE, for example, is leading the charge, with over US\$1.2 billion earmarked for healthcare in the 2019 budget, in addition to significant monies set aside under Sheikh Mohammed bin Rashid Al Maktoum's US\$540 million innovation fund.

Other lifestyle disorders are also rising in the region, encouraging pharmaceutical company growth. The UAE is second in the world and first in the Middle East in terms of diabetes prevalence (20%), followed by Saudi Arabia (16.7 per cent), Bahrain (15.2 per cent), Kuwait (14.4 per cent), Syria (10.8 per cent), Iraq (10.2 per cent), Jordan (10.1 per cent), Palestine (8.6%), and Lebanon (8.6%). Obesity-related and other cardiac illnesses are also on the rise in the region. Despite their enthusiasm for the 15 per cent compound annual growth rate, Middle Eastern generic producers confront severe competition from overseas corporations.

The existence of the Gulf Cooperation Council is one of the pivotal stages in the MENA pharma sector (GCC). Bahrain, Oman, Saudi Arabia, Kuwait, the United Arab Emirates, and Qatar formed the GCC in 2014 to implement a drug price harmonisation strategy to standardise medicine costs throughout the area. The GCC has substantially contributed to the region's pharmaceutical industry expansion.

## Local and International Producers are Present

Saudi Arabia is the largest pharmaceutical market in the Middle East, accounting for 60% of regional sales, followed by the United Arab Emirates. Although Saudi Arabia boasts the most significant industrial sector in the Gulf, the vast majority of its output is exported. Domestic manufacturing contributes to about 15% of the total pharmaceutical supply. There are about 15-20 pharmaceutical firms in the kingdom, comprising both local businesses and subsidiaries of major pharmaceutical conglomerates.

Spimaco, Jamjoom Pharma, Tabuk Pharmaceutical Manufacturing, Jazeera Pharmaceutical Industries, and Julphar are the region's leading indigenous players. Local enterprises mostly create generic medications, but some also do under-licence manufacturing for multinational pharmaceutical companies for supply in the domestic and international markets. GSK, Sanofi, and Abbott Laboratories, among

others, have established manufacturing facilities in the region.

The number of multinational pharmaceutical businesses has increased from 30 in 2013 to 47 in 2016, with 75 predicted by 2020, thanks to accelerated drug-registration protocols, expenditures in R&D, innovation, and technical improvement. Furthermore, the UAE is home to 95 per cent of its pharmaceutical companies, giving them logistical access to 43 nations globally.

The UAE is quickly transforming into a source market in the supply chain, manufacturing and exporting pharmaceuticals to high-demand areas such as Africa and Asia, thanks to the opening of the Dubai Silk Road Strategy and the existing superb logistical infrastructure.

Apart from Saudi Arabia and the United Arab Emirates, Qatar and Bahrain are swiftly catching up in demand and output. The adoption



of the national health insurance program will boost Qatar's pharmaceutical industry. At the same time, the government of Bahrain is progressively encouraging doctors and patients to use generic drugs. Bahrain's healthcare business is predominantly subsidised by the government, contributing over 70% of total healthcare spending each year.

## Market Size and Spending in MENA

Pharmaceutical expenditures in MENA countries range from 0.36 per cent to 3.47 per cent of GDP and 11 per cent to 49.3 per cent of health spending. Lebanon (49.3%), Jordan (33.8%), and Algeria have the most extraordinary pharmaceutical spending as a percentage of total health spending (31.2 per cent).

The same three nations have the most extraordinary pharmaceutical spending as a percentage of GDP: Lebanon (3.47 per cent), Jordan (2.85 per cent), and Algeria (2.85 per cent) (2.31 per cent). Qatar (0.36 per cent of GDP or 11.0 per cent of health expenditure), the UAE (0.67 per cent and 16.3 per cent, respectively), and Kuwait have the lowest pharmaceutical spending as a percentage of GDP or health expenditure (0.93

per cent and 18.1 per cent, respectively).

The market size in terms of overall sales in MENA is significant at \$32 billion, with the Middle East accounting for \$20.3 billion and North Africa accounting for \$10.7 billion. Saudi Arabia has the largest pharmaceutical market in the Middle East, with sales of \$7.5 billion in 2017, up 13% in value and 15% in volume, followed by Turkey (\$6.9 billion), Egypt (\$3.4 billion), and the United Arab Emirates (\$3.17 billion). However, the North African region is predicted to grow at a greater rate in the next few years, with a CAGR of 7.6%.

The UAE market is worth \$2.2 billion, up 12% from the previous year, with the retail channel dominating with a 79 per cent share and a 14 per cent growth rate. Alimentary TA has a 24 per cent market share and is increasing at 12 per cent PPG, creating an additional \$51 million in 2018. In terms of sales, multinationals dominate the industry, with Novartis (\$210 million) leading the way. However, local firms such as Julphar (\$100 million) rank among the top ten, while Dar Al Dawa (78 percent PPG) is the fastest-growing corporation.

The Egyptian Pharmaceutical market is worth \$3.4 billion, up 26% over the previous year. The biggest selling TAs are dietary and anti-infectives, which account for 36% of total market sales.

Israel is another portion of the Middle East that currently has a well-established pharmaceutical business. According to a report by Global Data, the market will rise to \$2.12 billion by 2020, with a compound annual growth rate of 3.9 percent. Israel already has a well-developed academic and scientific infrastructure and R&D and advanced medical facilities. Biotech progress will almost certainly be a market driver in the future. Teva, the world's top generics company, which has various manufacturing and export sites across Israel, North America, and Europe, underpins Israel's generics sector, accounting for roughly 20% of market sales.

## Conclusion

The Middle East's complex economic, political, cultural, and public health features are mirrored in the pharmaceutical industry's widely varied market environment. Overall, the future seems bright for both international and domestic companies, with rising populations and higher life expectancies driving up demand for pharmaceuticals throughout the Middle East and North Africa, expected to expand dramatically in the coming years. Local generic manufacturers and potential offshore generic enterprises from countries like India, who could build up production bases in the region and export from there, are anticipated to do well. ○

*(The author is a leading pharmaceutical consultant)*