

ENHANCING ACCESS TO INDONESIAN MARKET



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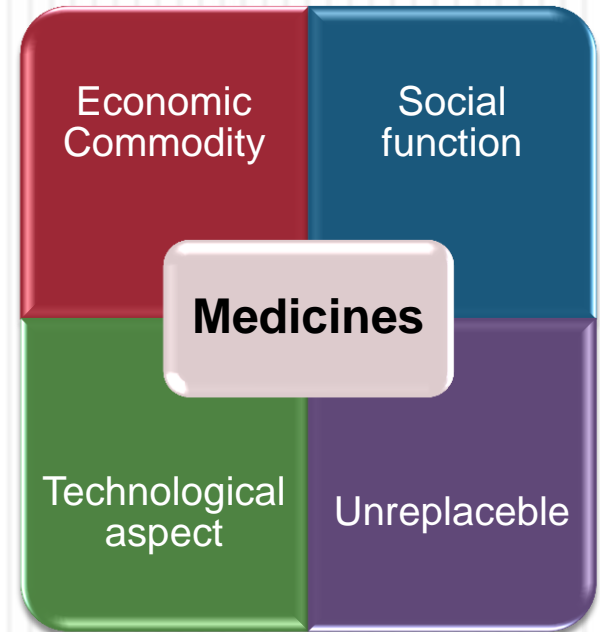
OUTLINE

1. Introduction
2. Pharmaceutical Market Global and Indonesia
3. Current Conditions
4. The Role of Pharmaceutical Industries :
Government Insight
5. Indonesian Needs
6. Negative Investment List
7. Conclusion

NATIONAL HEALTH POLICY

Objectives:

- ▣ **Availability and affordability** of medicines, particularly essential medicines.
- ▣ **Safety, efficacy and quality** of medicines.
- ▣ Rational Use of Medicines.



Rights for health access including medicines

RPJMN 2010-2014

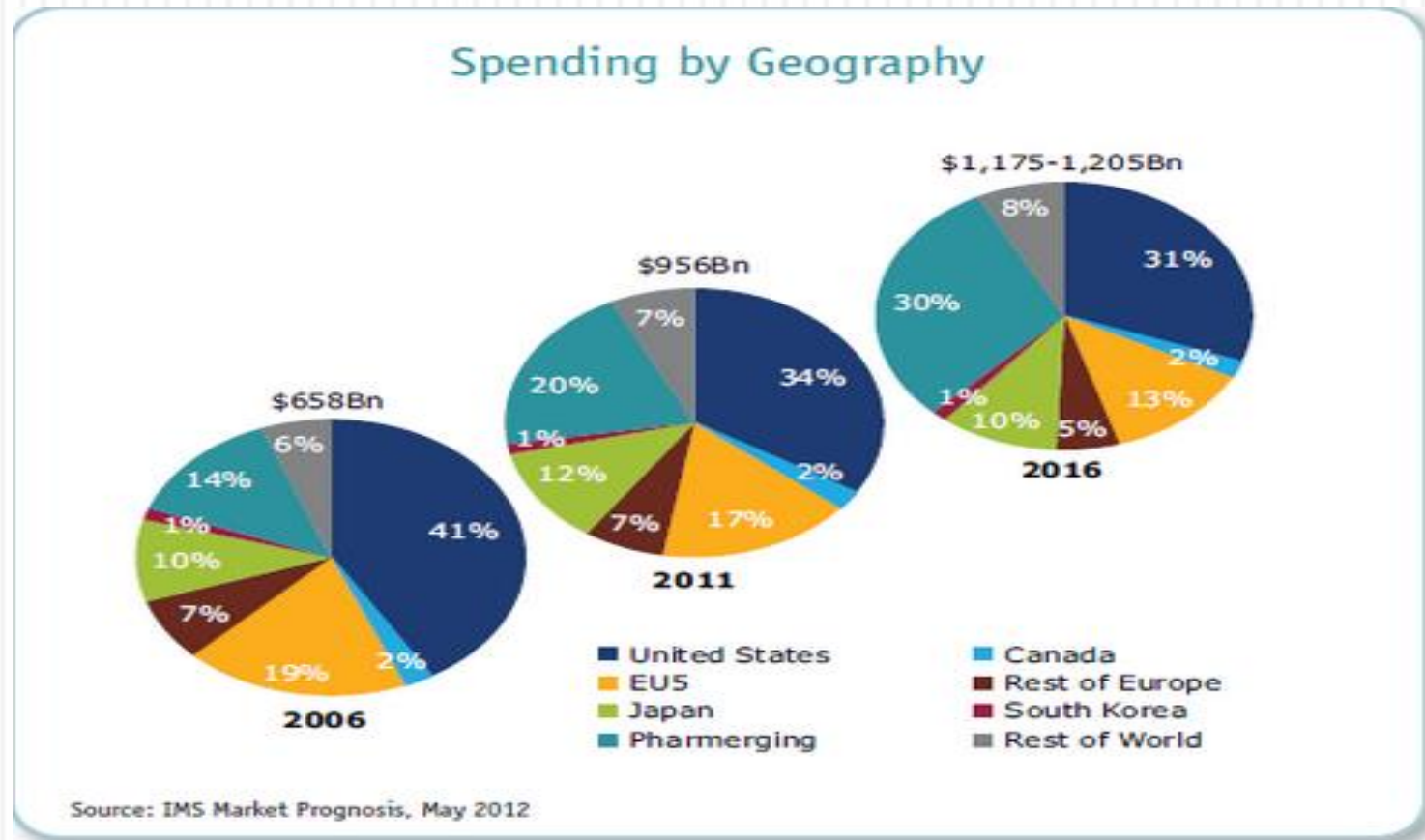
National Midterm Development Plan 2010 – 2014

Priority: Access and Quality of Health Care

Focus No.5 :

To increase self reliance in the production of medicines, medicines raw materials, traditional medicines and medical devices.

Global Pharmaceutical Market



Emerging markets 14% (2006) → 20% (2011) → 30% (2016)

Indonesia → one of *emerging market*

PHARMACEUTICAL MARKET

Asia and Indonesia



Southeast Asia market is about US\$ 10 miliar dominated by Indonesia, Malaysia, Philiphine and Vietnam.

Indonesian market 2013 is about Rp 54 T

1. The annual growth of Asian pharmaceutical market 18%
2. The annual growth of Indonesian pharmaceutical market 12-14,6%
3. Growth of Malaysian market (11%), India (19%), China (21%)
compound annual growth rate (CAGR) 2011-2015

Data ; Pharma Business Community, 2012

Indonesia, Vietnam and Philipine ave similarity character in population growth and medicines consumptions → great potential

Indonesian Pharmaceutical Market



Current Conditions (1)

Indonesia is a New Emerging Market in Asia, because of :

- Huge population
- Rising income
- Increasing number of chronic diseases, volume consumption of medicine, government programme
- Demographic bonus
- Universal Health Coverage

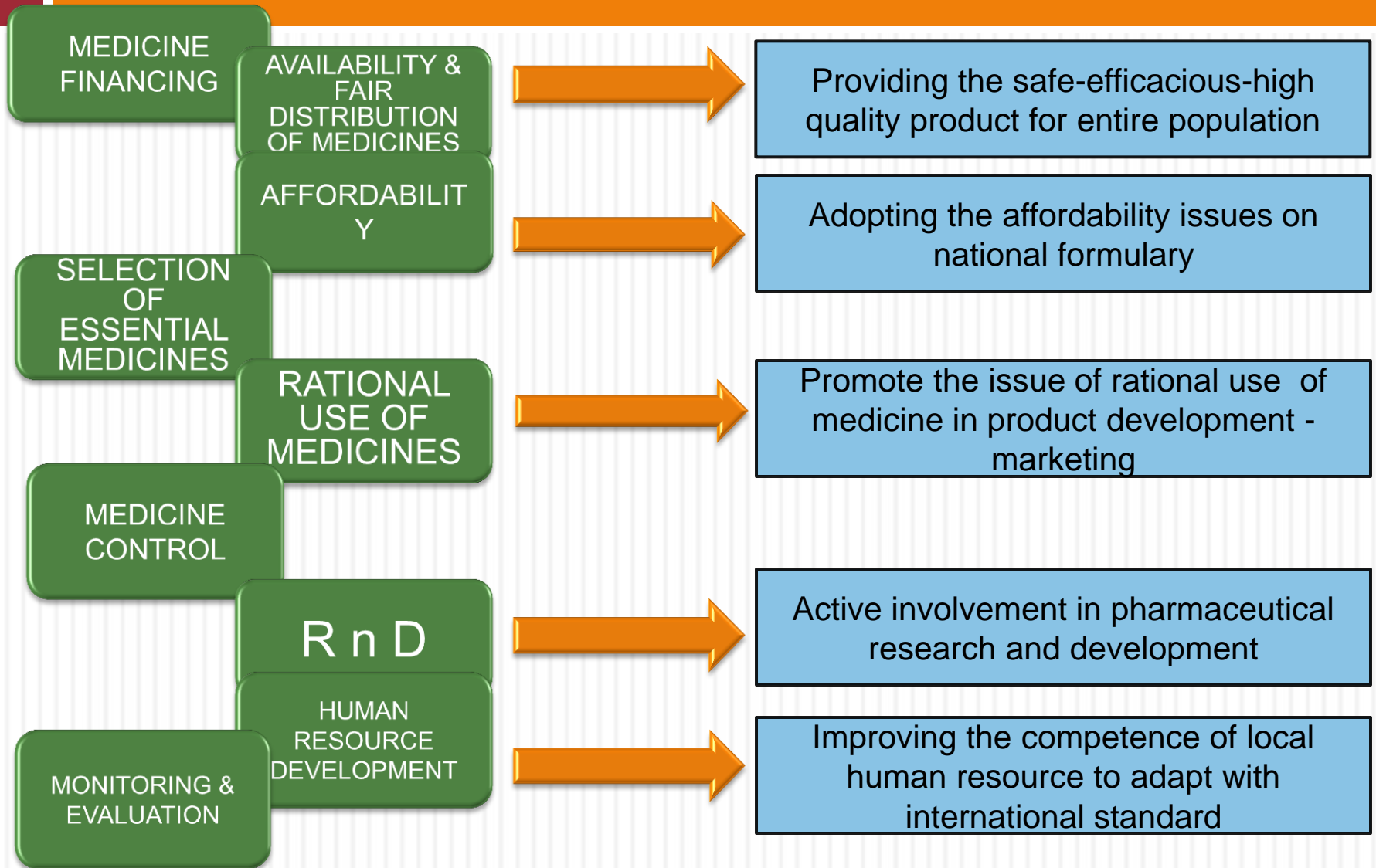
Economic Condition :

- Economic increasing 6.3% per year
- Inflation avg 5%

Current Conditions (2)

- most of the medicines needs can be met by domestic industry (206 industries, 4 SOE, 26 MNC, 176 local companies)
- dependence on imported raw materials is still high
- government procurement based on a national formulary consisting of originator, branded and generic medicines

THE ROLE OF PHARMA COMPANIES : Government insight



INDONESIAN NEEDS



- Market access to originator essential medicines
- Research based company
- Imported RM become locally produce

Negative Investment List

(Presidential Decree 39/2014)

- Foreign companies are barred from owning 85%, leaving at least 15% for local partner



MNCs are interested in investing in
Indonesia



R&D bases

Innovative products (Advantage competitiveness)

Raw material

CONCLUSION

- The national health challenge need a better effort on providing access to medicine, which involved all pharmaceutical stakeholder in Indonesia, including MNC companies.
- The MNC companies :
 - may utilize their advancement in standard and research to improve the availability-affordability of medicine especially for there originator products.
 - Invited to participate in the fulfillment of public medicines needs which is still lacked in Indonesia



Thank you