
philippine pharmaceutical industry

factbook

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INFORMATION from the latest review of sources for this factbook suggest a slow but sustainable improvement in local healthcare provision and the pharmaceutical market, in an environment that poses to healthcare and pharmaceutical companies the same challenge it always did: delivery of healthcare that is both effective and profitable.

General patterns in health statistics practically remain the same. Top causes of morbidity and mortality still mostly have to do with respiratory and cardiovascular diseases, and reflect the strong demand for categories of pharmaceutical products that cater to these. At the same time, healthcare expenditure is relatively low, and, as usual, mostly comes out of the patients' pockets. The government's National Health Insurance Program (NHIP), as well as other private insurance groups, have displayed notable growth rates during the last few years. It remains to be seen, however, if these sectors can make an even more palpable contribution to national healthcare funding.

Despite difficulties, however, the healthcare and pharmaceutical industry continues to expand. Private and government facilities are steadily being added, and new establishments and products are continually being introduced to the public. The steady decline in the total number of brands in particular, though, suggests a further concentration of the market in products with a high demand, and replacement of obsolete products with newer and more powerful ones.

The total pharmaceutical market is now valued at PhP65.7 billion, increasing by almost 9% from PhP60.45 billion in 2001. Drug price indices show a return to stable rates of increase that more or less match general consumer price indices, after the much talked-about Asian economic crisis during the turn of the century.

In terms of players, the market is still dominated by the same top 10 pharmaceutical companies. Top selling products reflect the strong demand for anti-infectives, vitamins, and cardiovascular and respiratory drugs. The list of top brands have become relatively secure during the past several years, after shuffles caused by some brands with remarkable growth rates.

summary of the local healthcare environment

1. Demographic Environment

1.1 Population

According to the 2000 census of the National Statistics Office (NSO), the Philippine population numbers 76,504,077. Latest estimates, however, place the population at almost 80 million. Population growth rate is 2.36%, and fertility rate is estimated to be 3.7%. By the end of 2005, the population is expected to reach 84 million.

Gender distribution across the different ages is almost equal, although there is a greater proportion of females within the oldest age groups (65 and up). Children (age 14 and below) make up around 37% of the population, while those aged 15-64 make up the majority (60%). The elderly (age 65 and up) make up only 3%. The 15-64 age group is expected to increase in growth rate over the next few years, while children and elderly are expected to maintain a steady growth rate.

(Table 1, 2)

1.2 Morbidity and Mortality

Common diseases such as diarrheas, bronchitis, and pneumonias are the leading causes of morbidity in the country. Diarrhea is the most common morbidity, having a rate of 1,085 cases per 100,000 in the population, while bronchitis is the second, with a rate of 891. Of the 10 leading causes of morbidity, 4 have to do with the respiratory system: bronchitis or bronchiolitis (891), pneumonias (837), influenza (641), and respiratory TB (142). Hypertension is the 5th leading cause with a rate of 409. Other leading causes are heart disease (60), malaria (52), measles (31) and chickenpox (31), but these are far less prevalent than the top 5 causes. The leading causes of morbidity have essentially remained similar over the years, with the exception of accidents and malignant neoplasms, which were top 5 and 10, respectively, in 1995, but are

now absent from the top 10 list, and are now replaced by chickenpox and hypertension.

With regard to mortality, cardiovascular diseases are the leading causes. Heart disease ranks first, with a rate of 76, and is followed by diseases of the vascular system, with a rate of 57. Respiratory diseases, however, still figure considerably among the top causes: pneumonias rank 3rd (46), chronic obstructive pulmonary diseases 7th (19), and other respiratory diseases 9th (10). Other top causes of mortality include diabetes mellitus (12) and nephritis (10). Just as with morbidity, the leading causes of mortality have essentially remained the same over the years, with the exception of diarrheal diseases, which was top 10 in 1995 but is now replaced in position by nephritis.

(Chart 1, 2; Table 3, 4)

Chart 1: Ten Leading Causes of Morbidity

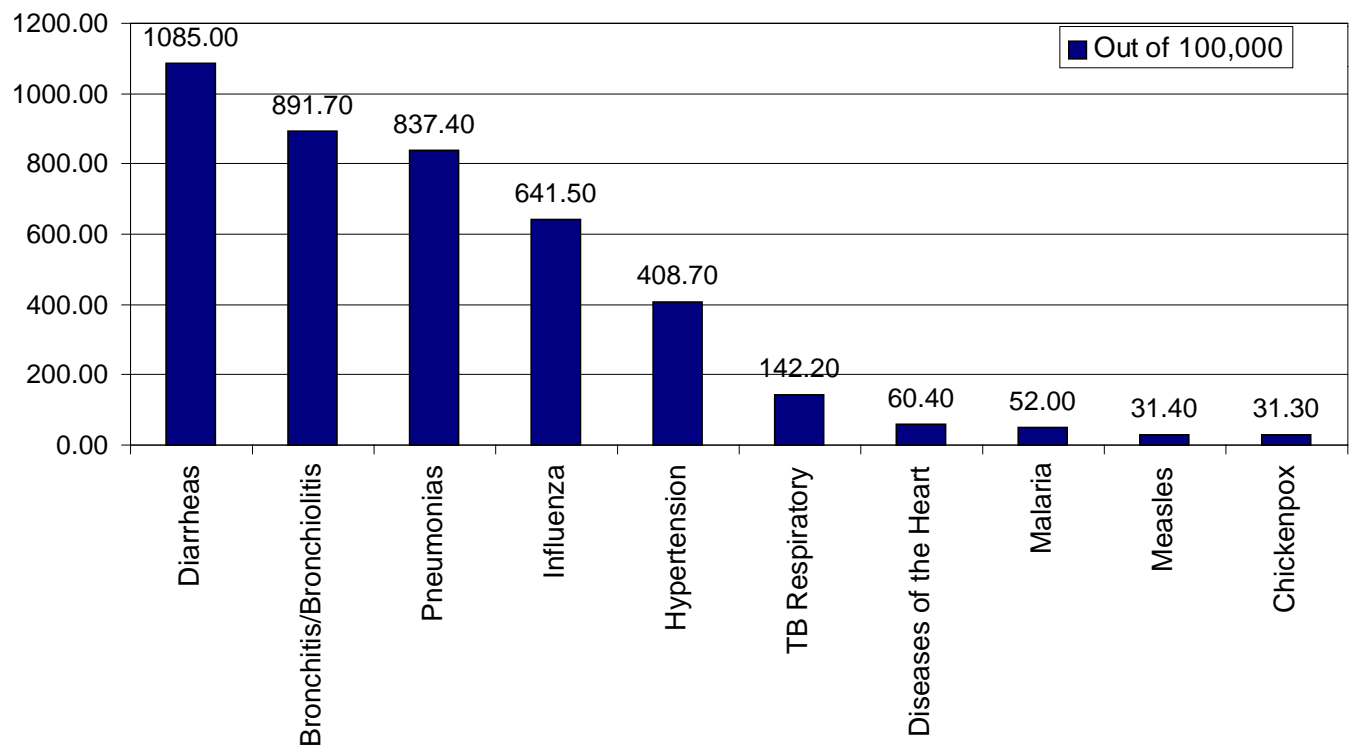
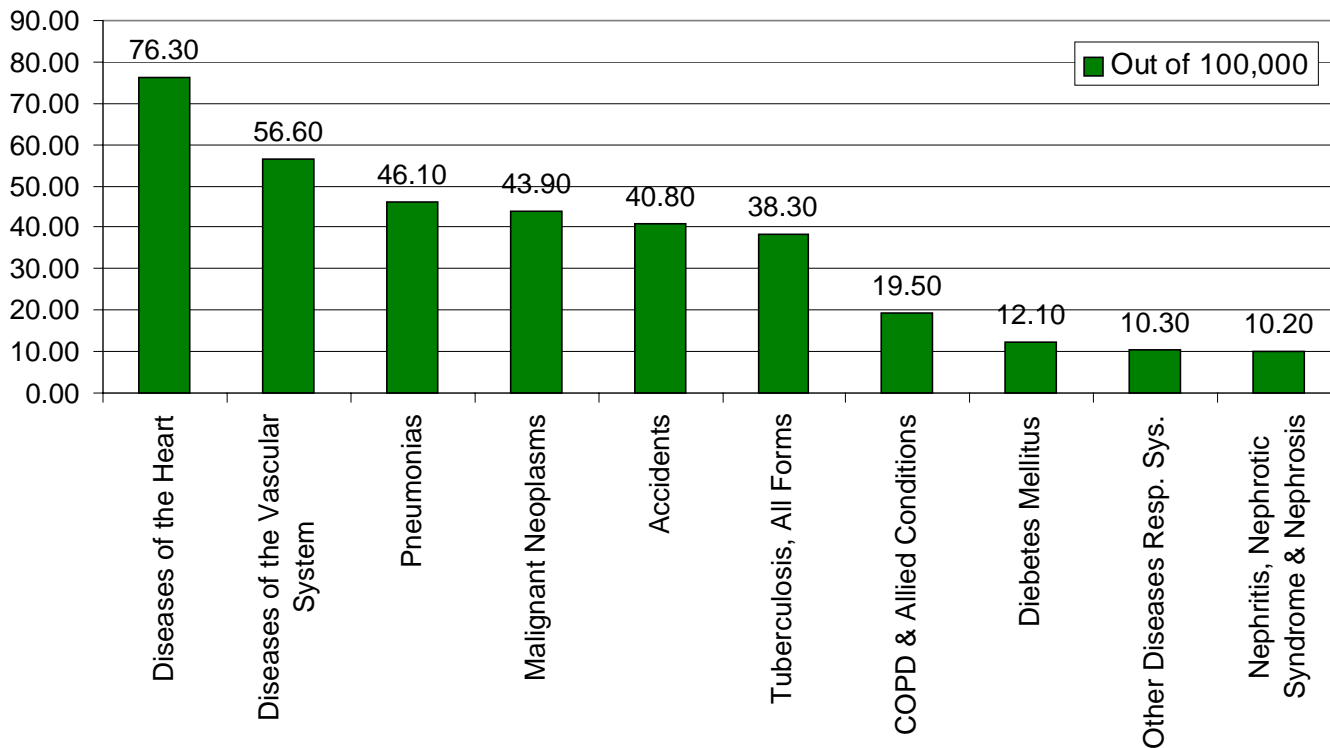


Chart 2: Ten Leading Causes of Mortality



1.3 Percentage Share of Healthcare to Total Household Expenditure

The amount spent on healthcare has consistently been a very small proportion of total household expenditure in the country, moving within a narrow range of 1% to 2% since 1991. There is practically no difference in proportion of healthcare expenditure between urban and rural households. This observation, along with the fact that most healthcare expenditure comes out of the patients’ own pockets (see section 2.4.2), validates the need for a more massive government-subsidized healthcare program. It also suggests a huge potential for the insurance market, although the primary hindrance to citizens availing of insurance is poverty.

(Table 5)

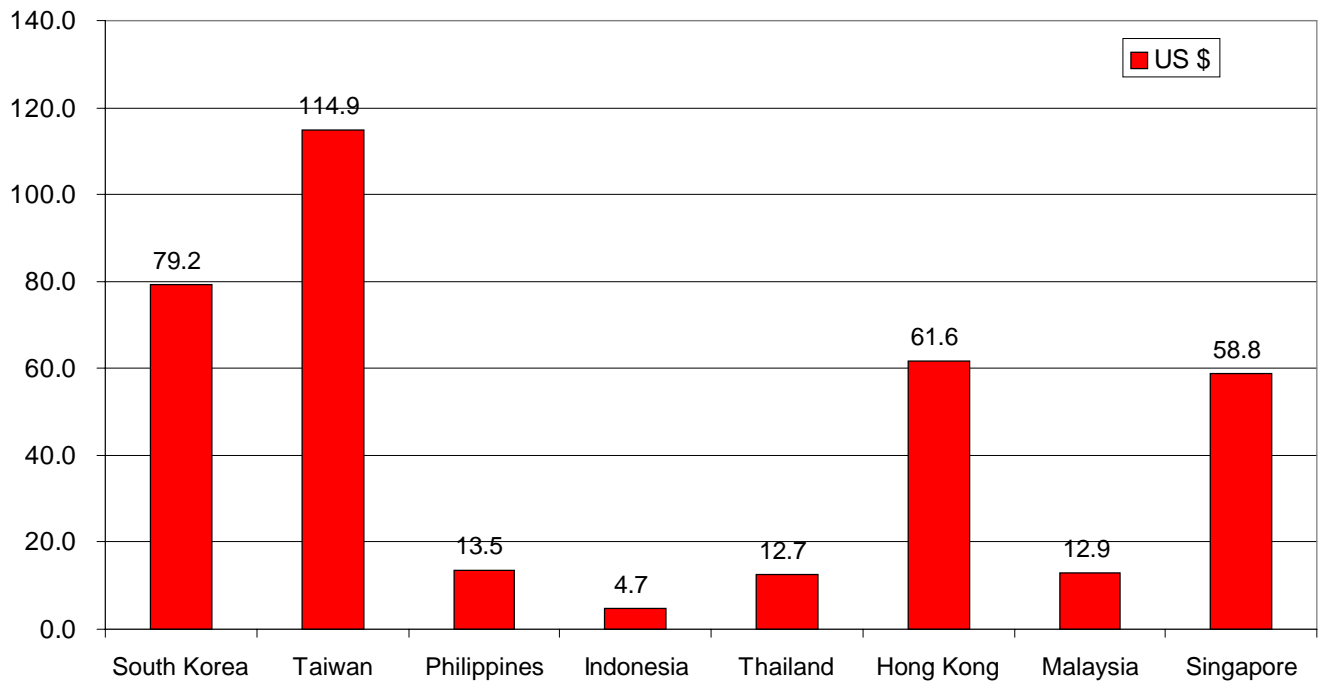
1.4 Per Capita Consumption Of Pharmaceuticals

IMS figures as of 2001 place the Filipino per-capita pharmaceutical consumption at around US\$13.50. At the current exchange rate (PhP53), this is roughly PhP715 per capita. This figure is well within, and constitutes a substantial proportion of, the average healthcare expenditure per capita in the country (see section 1.2.4.1). The current per-capita expenditure, however, is a further decrease from US\$14.25 in 1998. Since 1996, per-capita pharmaceutical expenditure in the Philippines has registered a decreasing trend.

It is difficult to compare per-capita pharmaceutical consumption across the different countries in Southeast Asia, as figures in the different countries vary greatly. Moreover, present data does not distinguish between the sources of funds for this consumption, ie. Which proportion is funded by government, insurance, or out-of-pocket.

(Chart 3; Table 6)

Chart 3: Per Capita Pharmaceutical Consumption by Country in 2001



1.2. Healthcare Provision And Expenditure

1.2.1 Number of Hospitals and Other Establishments

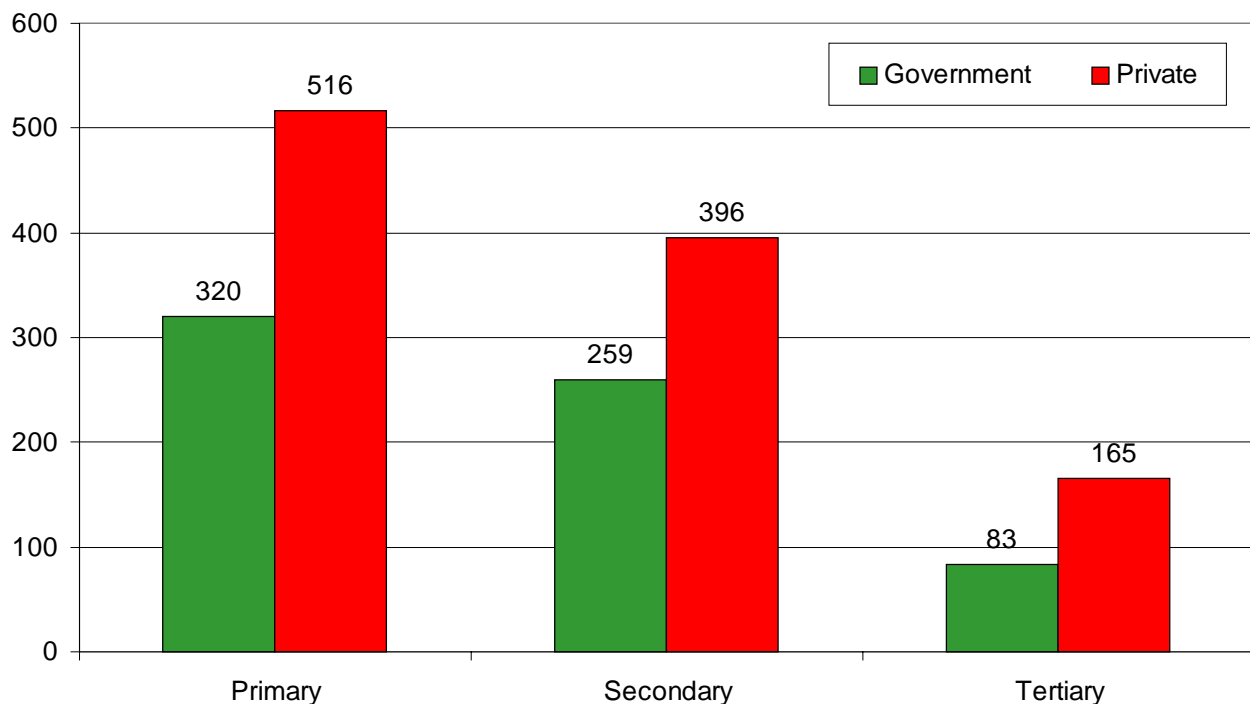
As of 2002, there are a total of 662 registered government hospitals in the country, reflecting a total capacity 45,420 beds. Of these, 320 are primary hospitals, 259 are secondary, and 83 are tertiary. This is an increase from the reported 616 government hospitals in 1998.

With regard to private hospitals, there are a total of 1,077 as of 2002, reflecting a total capacity of 39,771 beds. Of these, 516 are primary, 396 are secondary, and 105 are tertiary. There are in short more private hospital facilities than government facilities.

All in all, the present number of hospitals available in the country is 1,739. This is a 48% increase in the number of hospitals from 1,172 in 1998.

Aside from hospitals are the government health units and services nationwide. There are presently 1,947 regional or main health units, and 7,467 barangay health units in the country.

Chart 4: Number of Government and Private Hospitals Nationwide



As for clinical laboratories, there are at present 483 government and 1,819 private laboratories all over the country. There are also a total of 129 blood banks nationwide.

(Chart 4; Tables 7-11)

1.2.2 Healthcare Professionals In Local Government Units (LGU's)

There are to date a total of 2,957 doctors all over the country who are working in local government units (LGU's). Metro Manila or NCR has almost a fourth of these doctors (685). Aside from doctors, there are also a total of 1,958 dentists, 4,819 nurses, and 16,612 midwives. Midwives far outnumber doctors and nurses and are influential healthcare providers especially in rural areas.

(Table 12)

1.2.3 Number Of Doctors In The Country

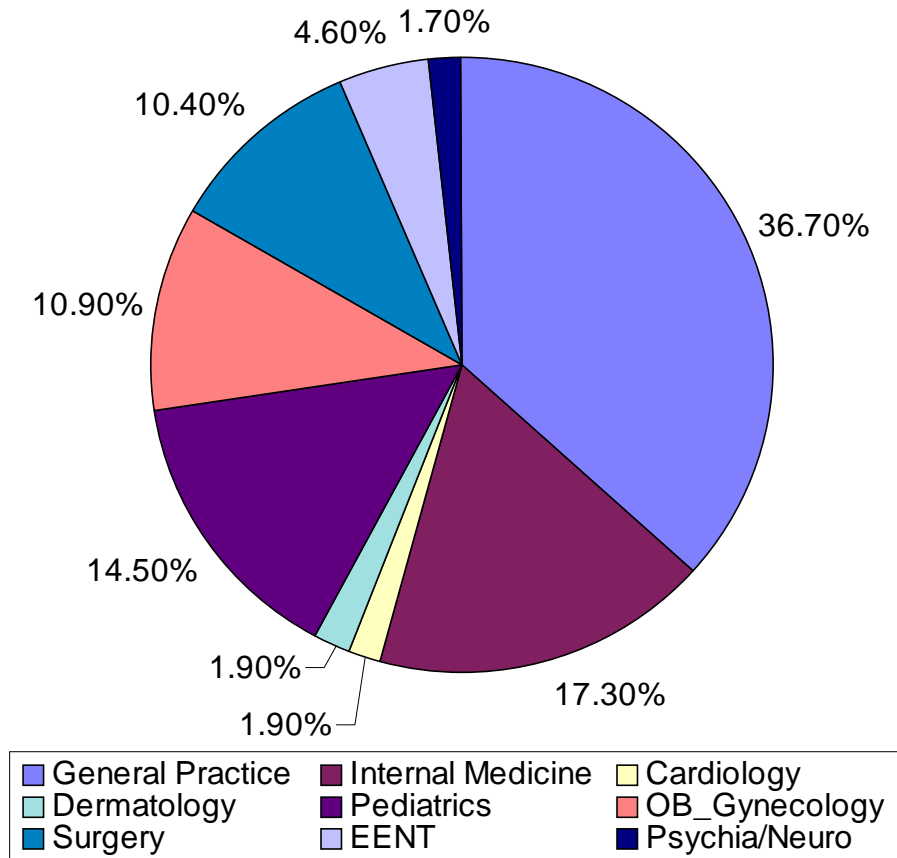
Latest IMS figures (2001) show that there are at present 44,238 doctors in the country. Thirty-seven percent (37%) of these are in general practice (GP). Aside from GP, Internal Medicine (IM) is the largest specialization, accounting for 17% of the total number of doctors. Other popular specializations are Pediatrics (14%), OB-Gynecology (11%), and Surgery (10%). Cardiology (2%), Dermatology (2%), and Psychiatry (2%) make up only very small percentages.

This overall pattern is especially evident in Luzon (excluding Metro Manila), Visayas, and Mindanao. Metro Manila has a higher concentration of specialists, as only 25% of the doctors in this area are GP's. In Metro Manila, 20% are IM's, 17% are Pediatricians, 12% are Gynecologists, and another 12% are surgeons.

Specializations counted are only those included in the Philippine Medical Data Index (PMDI).

(Chart 5; Table 13)

Chart 5: Percentage of Doctors by Specialty



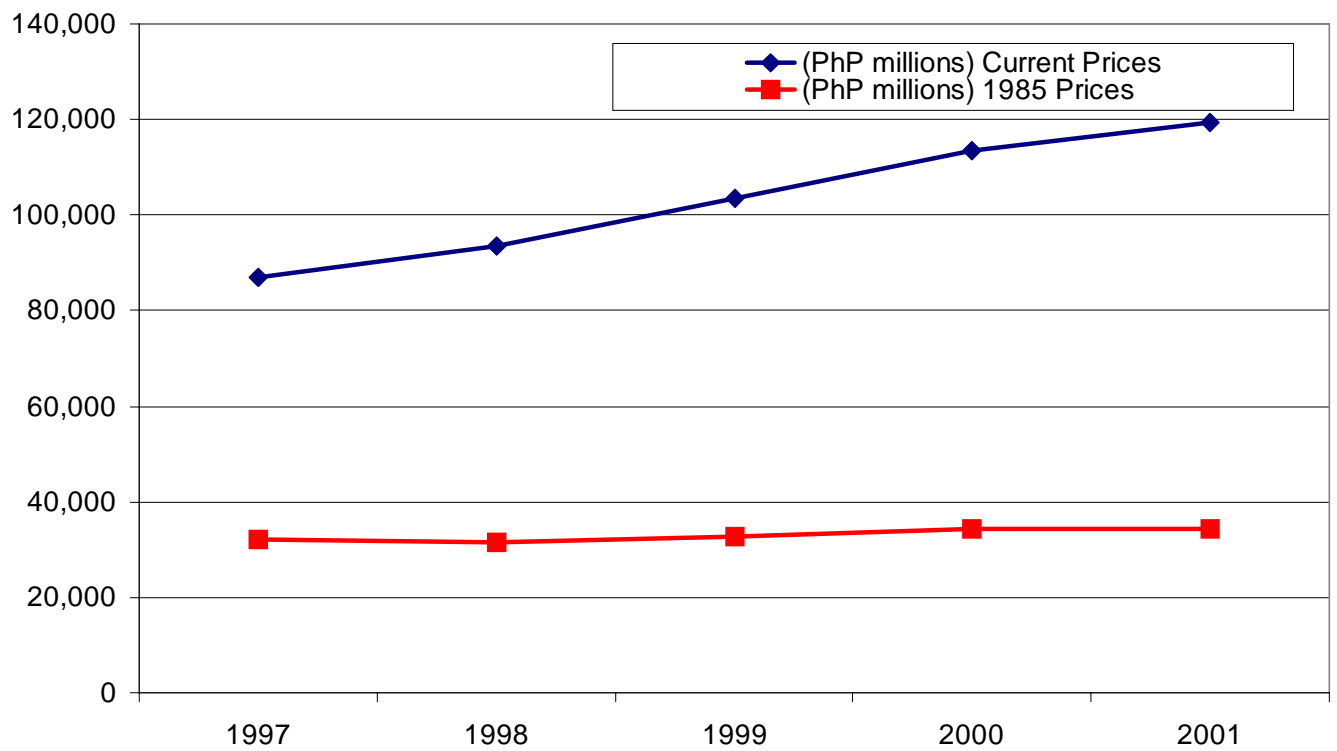
1.2.4 Healthcare Expenditure

1.2.4.1 Overall Figures

Latest figures available from the National Statistical Coordination Board are up to the year 2001. In 2001, the total healthcare expenditure of the country was estimated to be at PhP119.4 billion, which reflected a 5.2% growth rate from 2000. While still positively growing, the total healthcare expenditure has registered a smaller growth rate since 1999, when the growth rate was 10.6%.

(Chart 6; Table 14)

Chart 6: Total Health Expenditure, 1997-2001

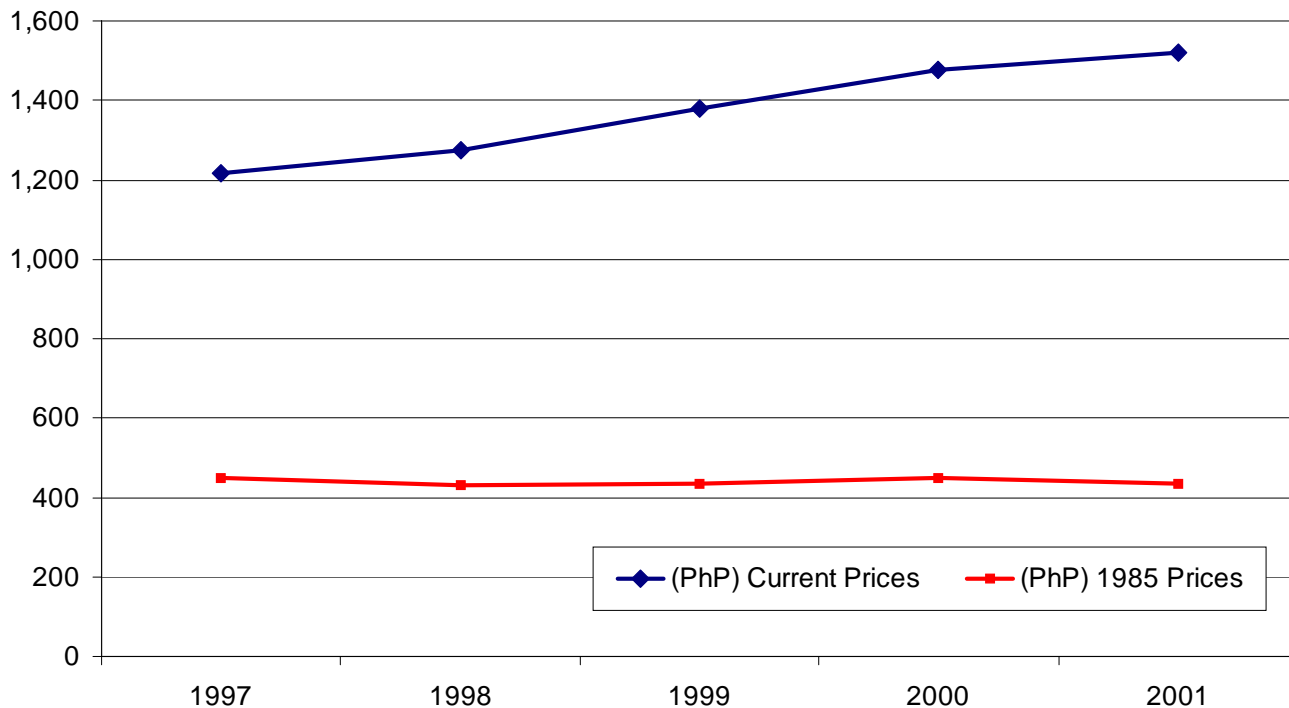


Per capita health expenditure as of 2001 is PhP1,519. At current prices, this is a positive growth from PhP1,477 in 2000, and PhP1,378 in 1999. Experts remark, however, that the increase in per-capita expenditure is not enough to compensate for the rising cost of healthcare. At constant 1985 prices, therefore, per capita expenditure actually shrank.

(Chart 7; Table 15)

Share of health expenditure to gross national product (GNP) remains steady at around 3%. This rate is actually further declining, from 3.4% in 1997. This figure is also below the 5% standard set by the World Health Organization (WHO) for developing countries. The Health Sector Reform Agenda (HSRA), presently the most important government healthcare policy, includes as one of its goals the increase of share of health expenditure to GNP, but until now has not made any significant improvement on this measure.

Chart 7: Health Consumption Per Capita, 1997-2001



On the other hand, this rate of 3% is comparable to majority of other countries in Southeast Asia. Other countries, such as Bangladesh, Indonesia, Malaysia, and Thailand, also have shares of health expenditure to GNP below 5%.

(Table 16)

1.2.4.2 Sources Of Funds

Private sources, including out-of-pocket funds, remain the largest source of healthcare funding, accounting for more than half (55%) of the total value of

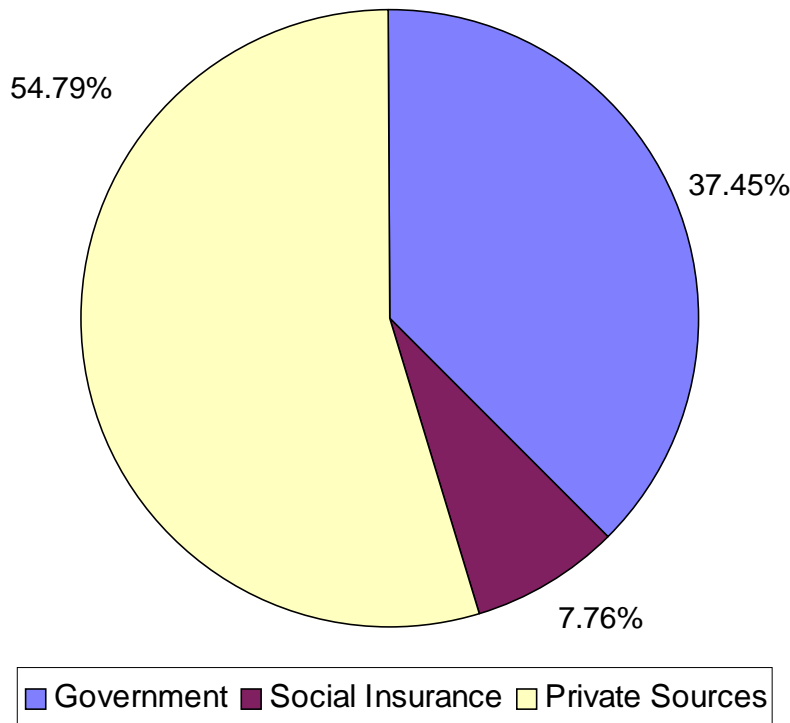
healthcare expenditure in the country. Government contributes around 37%, and the rest (8%) are accounted for by social insurance.

Insurance and HMO's still make up only a small proportion of healthcare spending. The country's National Health Insurance Program (NHIP) contributes only around 8% to healthcare, and is commonly regarded as disproportionately low compared to the healthcare needs of the citizens, although recent figures have registered a boost in contribution (see next paragraph). HMO's and private insurance together contribute almost the same amount (7%), and employees' compensation, employer-based plans, and private schools make up even smaller amounts.

HMO's have sharply expanded recently, registering a 56% growth rate from 2000 to 2001. The share of social insurance (ie., NHIP) also increased by 15% during this period. On the other hand, government contribution is decreasing. It is still uncertain whether this pattern will continue in the long term, although authorities certainly favor the increase in the contribution of insurance to the country's healthcare.

(Chart 8; Table 17)

Chart 8: Sources of Health Care Funding



the philippine pharmaceutical market

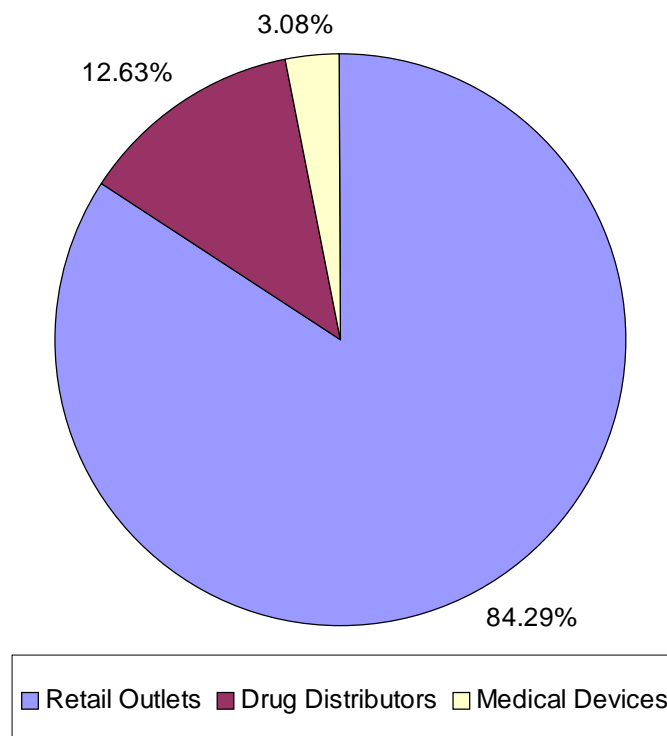
2.1 Industry Composition

2.1.1 Total Number of Pharmaceutical Establishments

The Bureau of Food and Drugs (BFAD), in its latest edition of number of licensed establishments, includes a count of drug retail outlets, along with a slightly modified categorization system of establishments. As of April 2003, there are a total of 20,649 pharmaceutical-related establishments nationwide, including drugstores and pharmacies. In fact, drugstores make up almost 75% of the total number of pharmaceutical establishments.

(Chart 9; Table 18)

Chart 9: Distribution Of Pharmaceutical Establishments, 2003



Twenty-three percent (23%) of the total number of establishments are in Metro Manila. Drugstores, however, are the more well-distributed class across the different regions of the country; drug distributors and medical devices distributors are highly concentrated in Metro Manila. Excluding retail outlets, as much as 41% of the rest of pharmaceutical establishments are in Metro Manila.

2.1.2 New Product Registrations

As of December 2001, there have been a total of 8,071 new product registrations for drugs. This count includes medical devices, diagnostic reagents, biologicals, veterinary products, household remedies, and herbals.

(Table 19)

2.2 Industry Products And Classification

2.2.1 Total Number Of Brands In The Market

The total number of pharmaceutical product brands in the market has been decreasing since 1997. As of 2002, there are 3,647 brands. This is a further shrinkage of 16% in the brand list, from 3,707 in 2001. Number of brands available reflect the top categories in terms of sales (see section 3.2), as the classes with the most number of brands are Systemic Anti-Infectives (class J), with 811, and Alimentary Tract and Metabolism Products (class A), with 600.

(Chart 10; Table 20)

2.2.2 New Products Introduced

Despite the shrinking total number of available brands in the market, there have been a total of 83 new product introductions in 2002, of which 73 were branded, and 10 were unbranded products. The class with the most number of new products introduced is cardiovascular products (Class C), with a total of 14 new items (11 branded and 3 unbranded). Class A follows with 13 (10 branded and 3 unbranded). Systemic Hormonal Preparations (Class H), Hospital Solutions (Class K), Parasitology (Class P), and Diagnostic Agents (Class T), did not have any new products introduced in 2002.

(Chart 11; Table 21-22)

Chart 10: Number of Brands in Major Therapeutic Categories in 2002

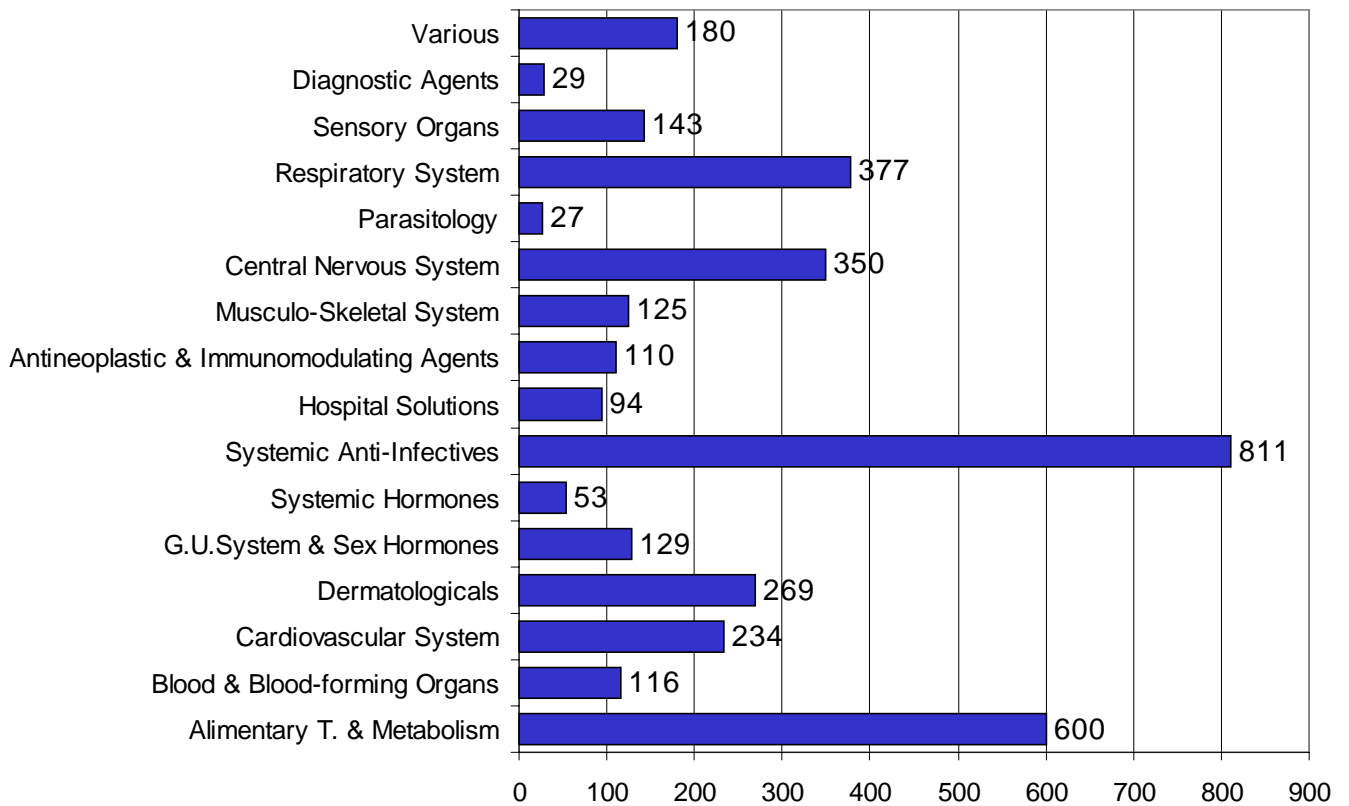
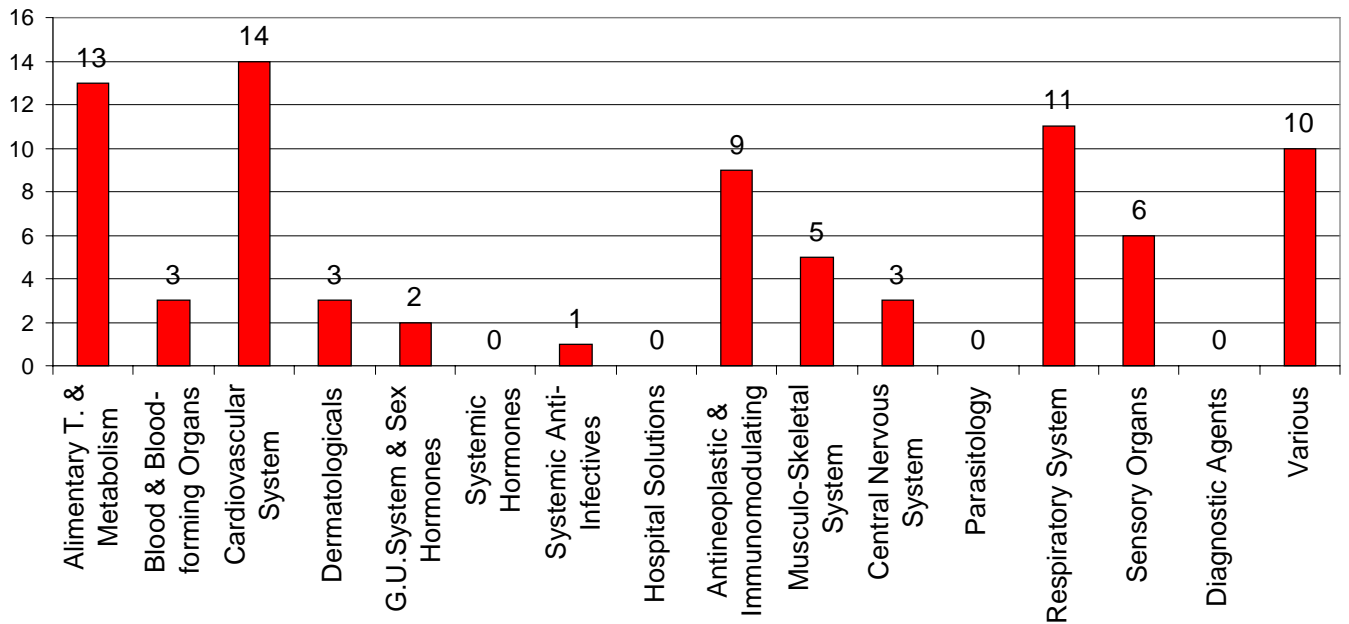


Chart 11: New Products Launched In 2002

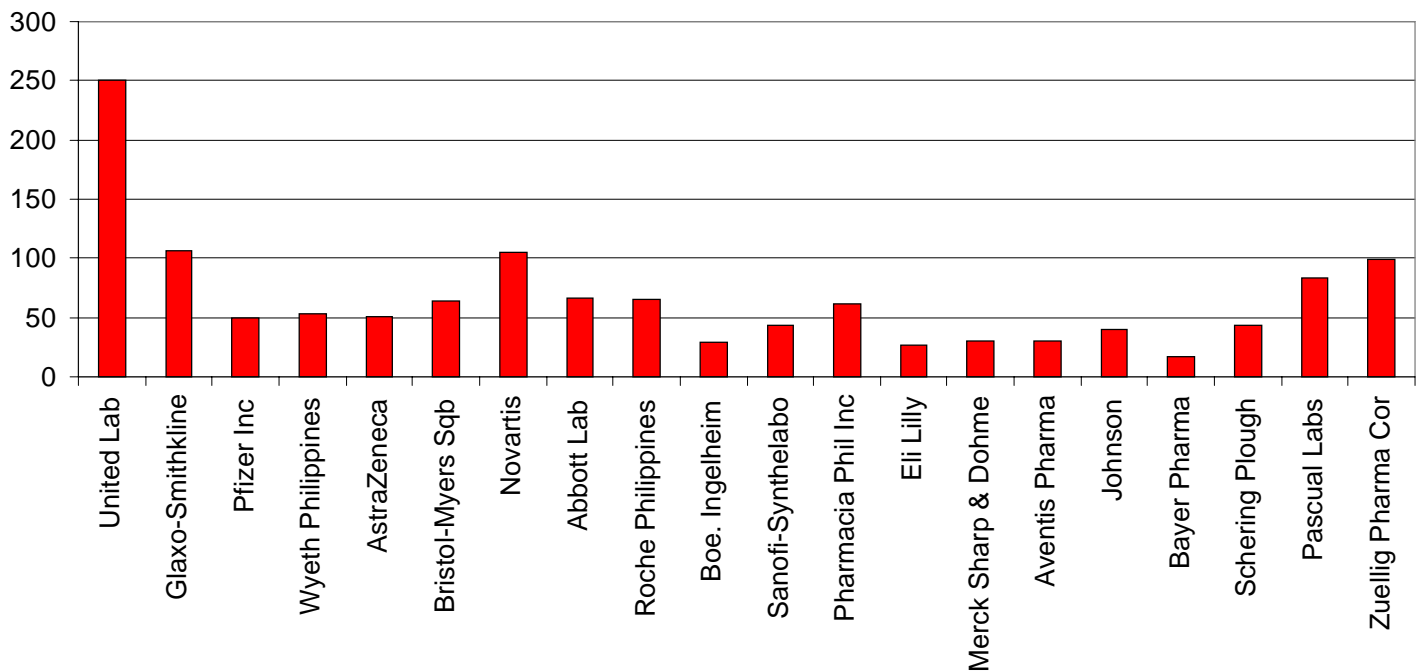


2.2.3 Brands Of Top Corporations

Along with the overall trend of decreasing number of brands in the total market, the number of brands belonging to the top 20 pharmaceutical corporations has also been decreasing. As of 2002, 1,316 brands, or 36% of the total number of brands, belong to the top 20 corporations. United Laboratories (Unilab) has the largest share of brands among the individual corporations, owning 7% of the total number of brands.

(Chart 12; Table 23)

Chart 12: Number of Brands of Top 20 Corporations



2.3 Size And Composition Of The Pharmaceutical Market

2.3.1 Overall Figures

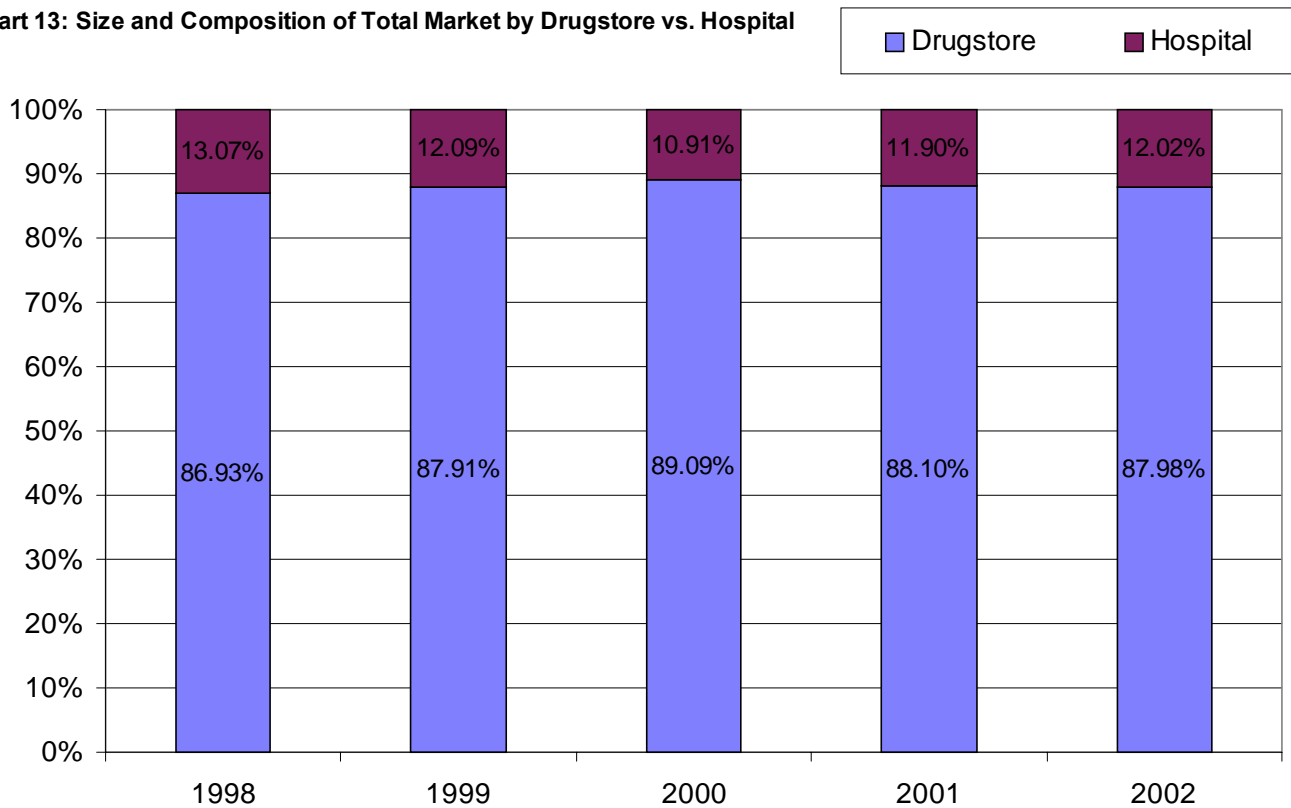
As of the end of 2002, the total pharmaceutical market is valued at PhP65.7 billion. This is an increase of around 8.6% from the 2001 figure of PhP60.45 billion, and reflects a lower growth rate compared to 10% from 2000 to 2001.

The drugstore market presently accounts for 88% of the total market, with a value of almost PhP57.8 billion. The rest is made up of the hospital market,

with PhP7.9 billion. While both submarkets registered a relatively low present growth rate compared to 2000-2001, the hospital market actually had a higher growth rate than the drugstore market since 2000. Growth rate of the hospital market from 2001-2002 was 9.7%, compared to the drugstore market's 8.4%; from 2000-2001, it was even higher at 20%, compared to the drugstore market's 8.7%.

(Chart 13; Table 24)

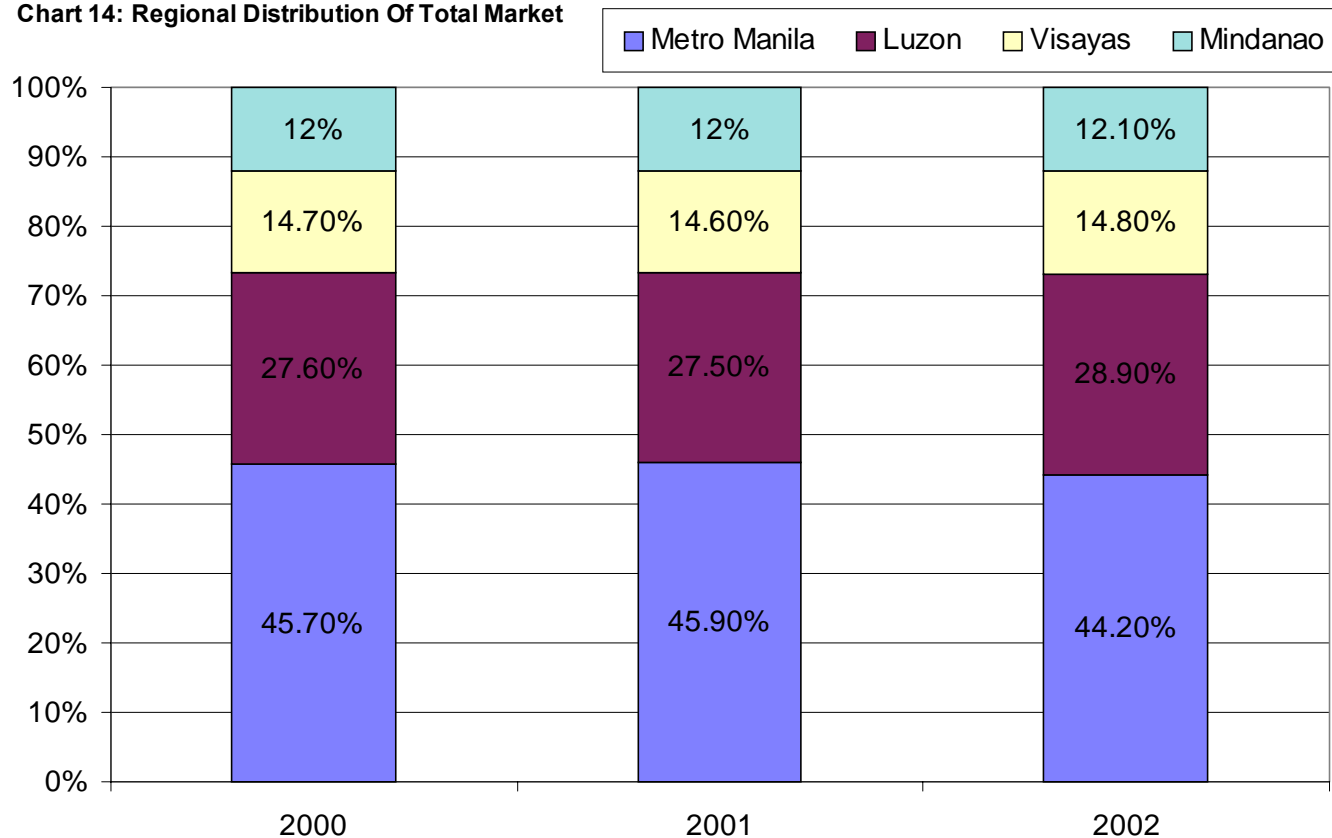
Chart 13: Size and Composition of Total Market by Drugstore vs. Hospital



In terms of area, Metro Manila, as always, makes up a large amount of sales (44% as of 2002). Contribution of Metro Manila, however, shrank from 46% in 2001; in its place, Luzon (excluding Metro Manila) has increased its contribution from 27.5% in 2001 to almost 29% in 2002.

(Chart 14; Table 25)

Chart 14: Regional Distribution Of Total Market



Ethical drugs make up the majority of the market in terms of sales, with a value of PhP47.9 billion, or about 73% of the total market. The rest is accounted for by proprietary drugs, with a value of PhP17.8 billion. Growth rates of both ethical and proprietary drugs have decreased, from 11% and 9% respectively in 2000-2001, to 9% and 7% from 2001-2002.

In terms of branded vs. unbranded drugs, branded drugs have consistently dominated over unbranded ones, and has continued to grow to PhP63.2 billion by the end of 2002. Unbranded drugs have actually registered a negative growth rate of 5%, having a lower value of PhP2.4 billion in 2002 compared to PhP2.6 billion in 2001.

(Chart 15-16; Table 26)

Chart 15: Share of Ethical vs. Proprietary Drug Market

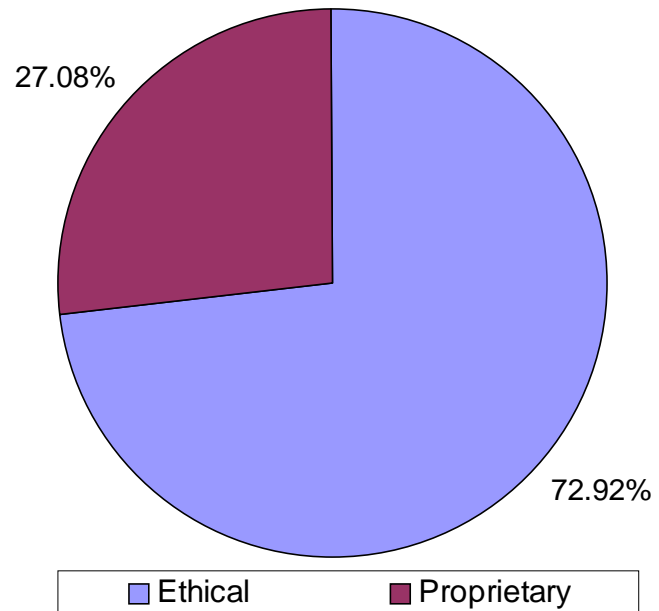
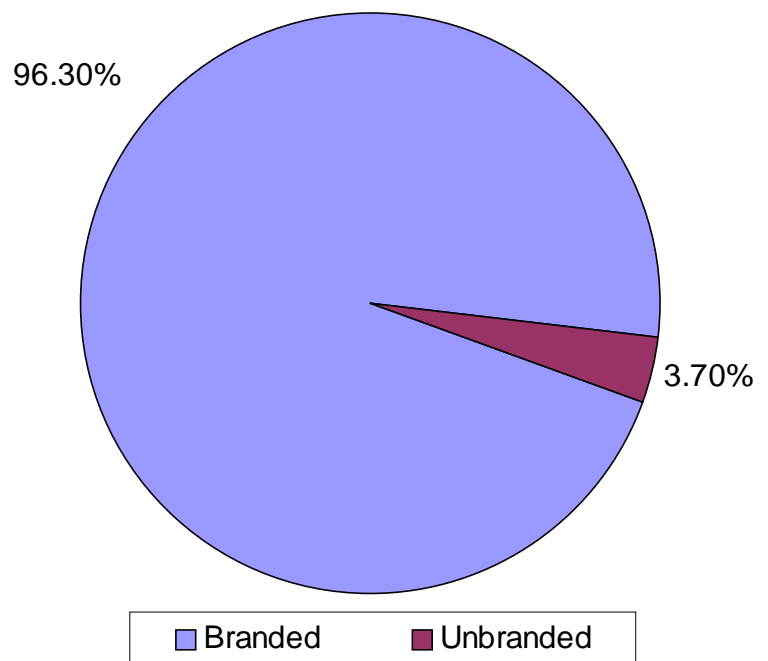


Chart 16: Share of Branded vs. Unbranded Drugs

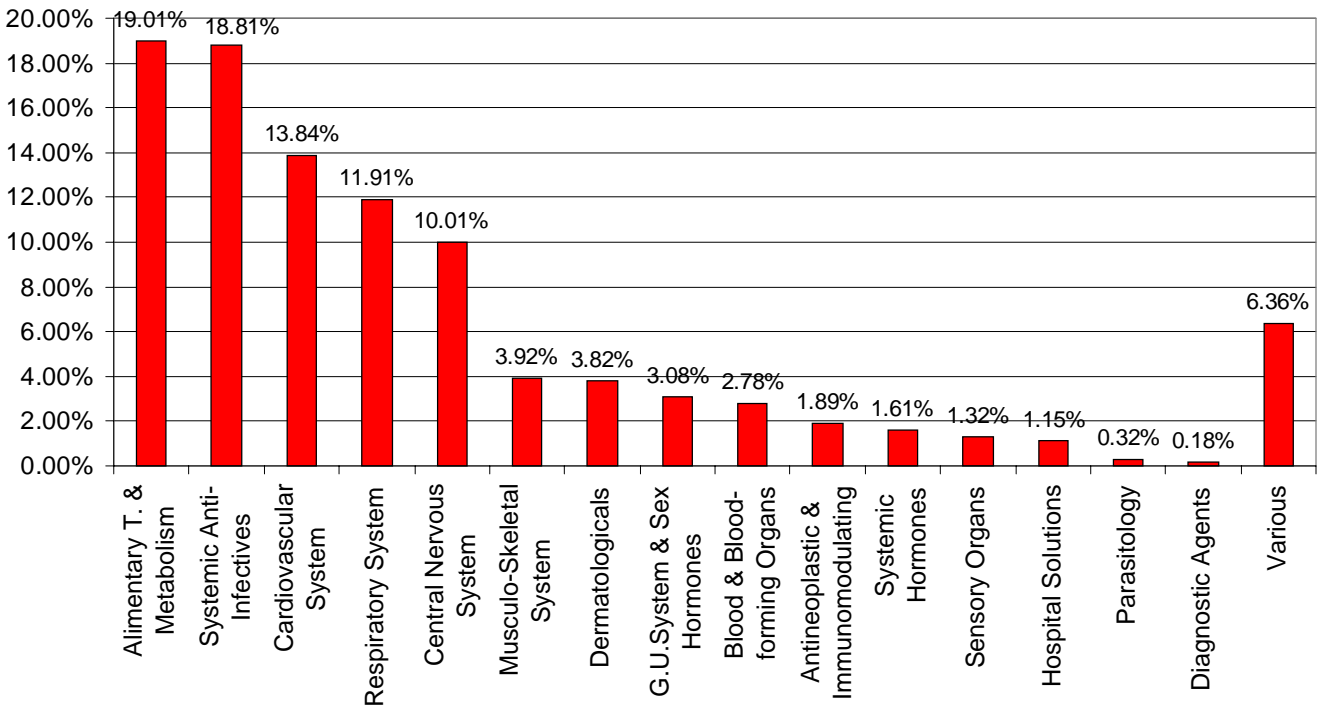


2.3.2 By Therapeutic Class Level 1

By therapeutic class level 1, a significant proportion of the market is accounted for by alimentary tract and metabolism products (class A) and systemic anti-infectives (class J), each having a share of about 19%. Alimentary Tract and Metabolism has had consistent positive growth since 2000, and by the end of 2002 was about to overtake Systemic Anti-Infectives. Systemic Anti-Infectives, on the other hand, has had shrinking shares since 2000. Nevertheless, these 2 categories have consistently been the dominant categories in terms of sales.

(Chart 17; Table 27)

Chart 17: Breakdown of Total Market by Therapeutic Class Level 1



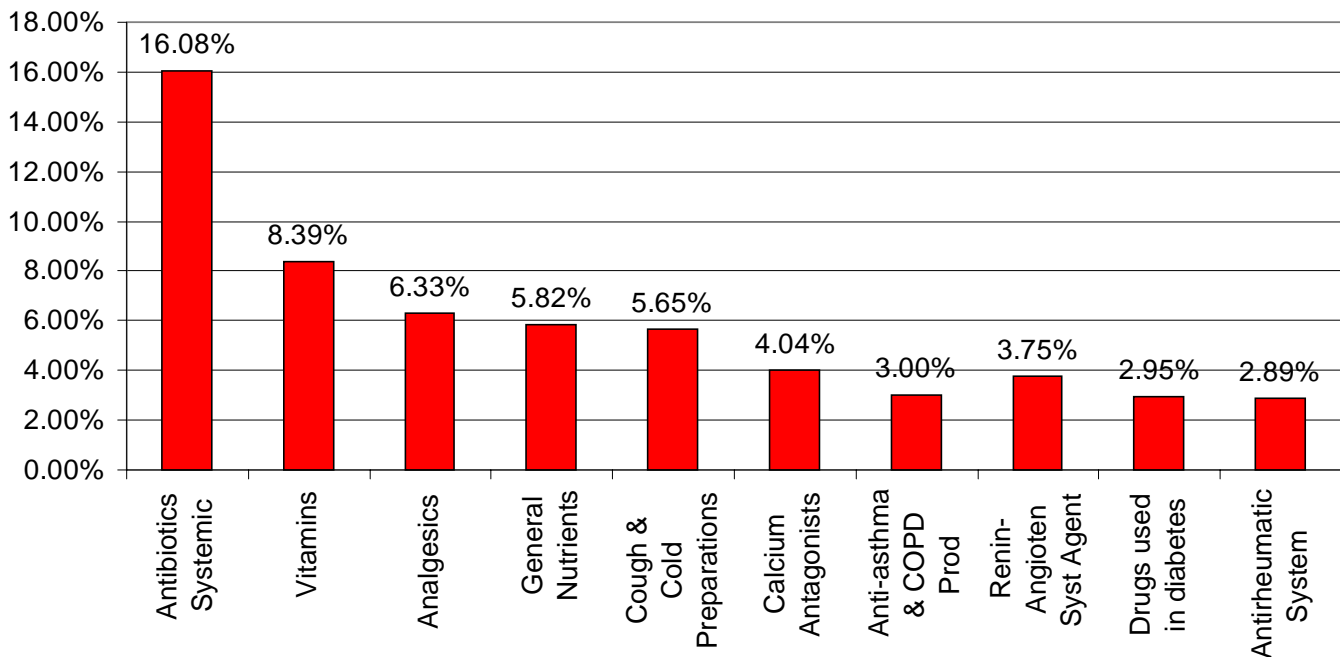
2.3.3 By Therapeutic Class Level 2

By therapeutic class level 2, systemic antibiotics, belonging to Systemic Anti-Infectives, have the largest share, with 16% (PhP10.6 billion) of the total market. Vitamins, belonging to Alimentary Tract and Metabolism, have the second largest share, with 8% (PhP5 billion) of the total market. Analgesics, belonging to Central Nervous System products (class N), have the third largest

share of 6%, but significantly fall short of the share of vitamins. Other leading products by sub-class are general nutrients (class of various products, or V), with 6%; cough and cold preparations, (Respiratory System products or class R), also with 6%; and calcium antagonists (Cardiovascular System products or class C), 4%.

(Chart 18; Table 28)

Chart 18: Breakdown of Total Market by Therapeutic Class 2



2.3.4 Drugstore and Hospital Sales

Drugstore sales follow the overall sales trends, with Alimentary Tract and Metabolism and Systemic Anti-Infectives having the largest shares of 20% and 16%, respectively. Cardiovascular System, Respiratory System, and Central Nervous system products also occupy the next largest sales. Within therapeutic class level 2, systemic antibiotics (13%) and vitamins (9%) are also the top selling products.

Hospital sales patterns are somewhat different. Systemic Anti-Infectives are also the leader in this market, but has a remarkably large share here (39%) compared to drugstores. Central Nervous System and Respiratory System products are the second largest, but are far smaller than Systemic Anti-Infectives, having only 11% each. Within therapeutic class 2, systemic antibiotics also lead by a large margin (35%), but the next most popular products are intravenous solutions (7%) and anaesthetics (5%).

(Charts 19-22; Tables 29-32)

Chart 19: Breakdown of Drugstore Market by Therapeutic Class Level 1

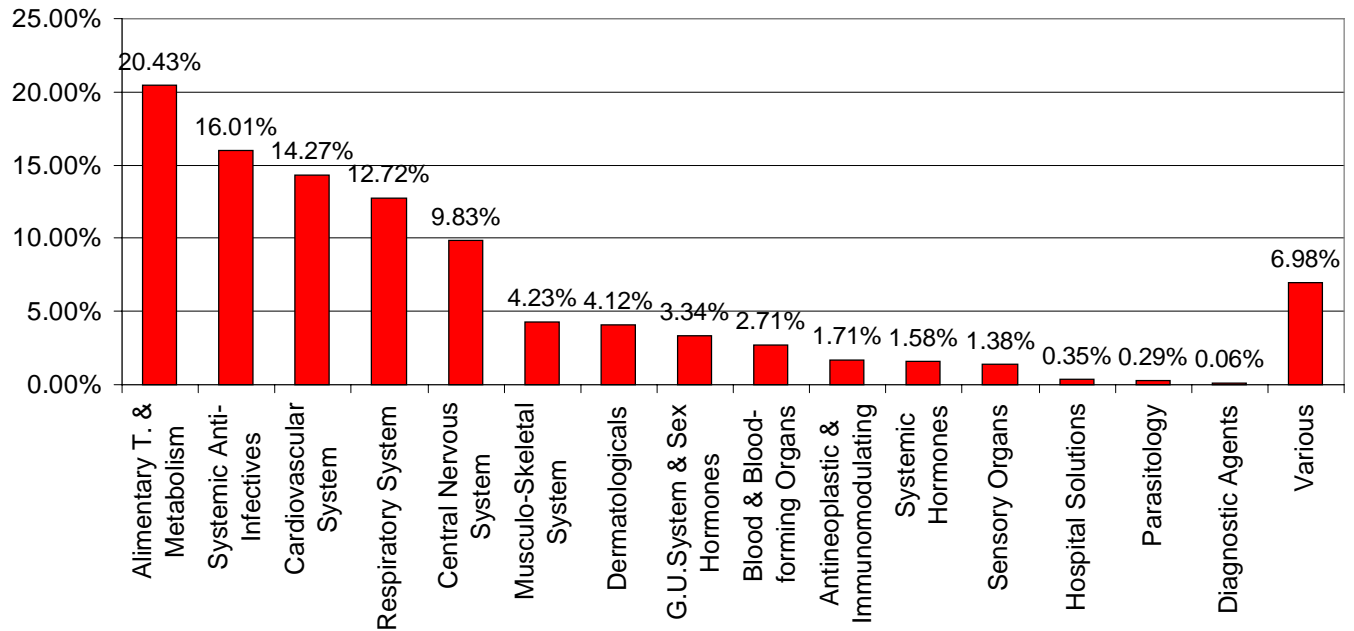


Chart 20: Breakdown of Drugstore Market by Therapeutic Class Level 2

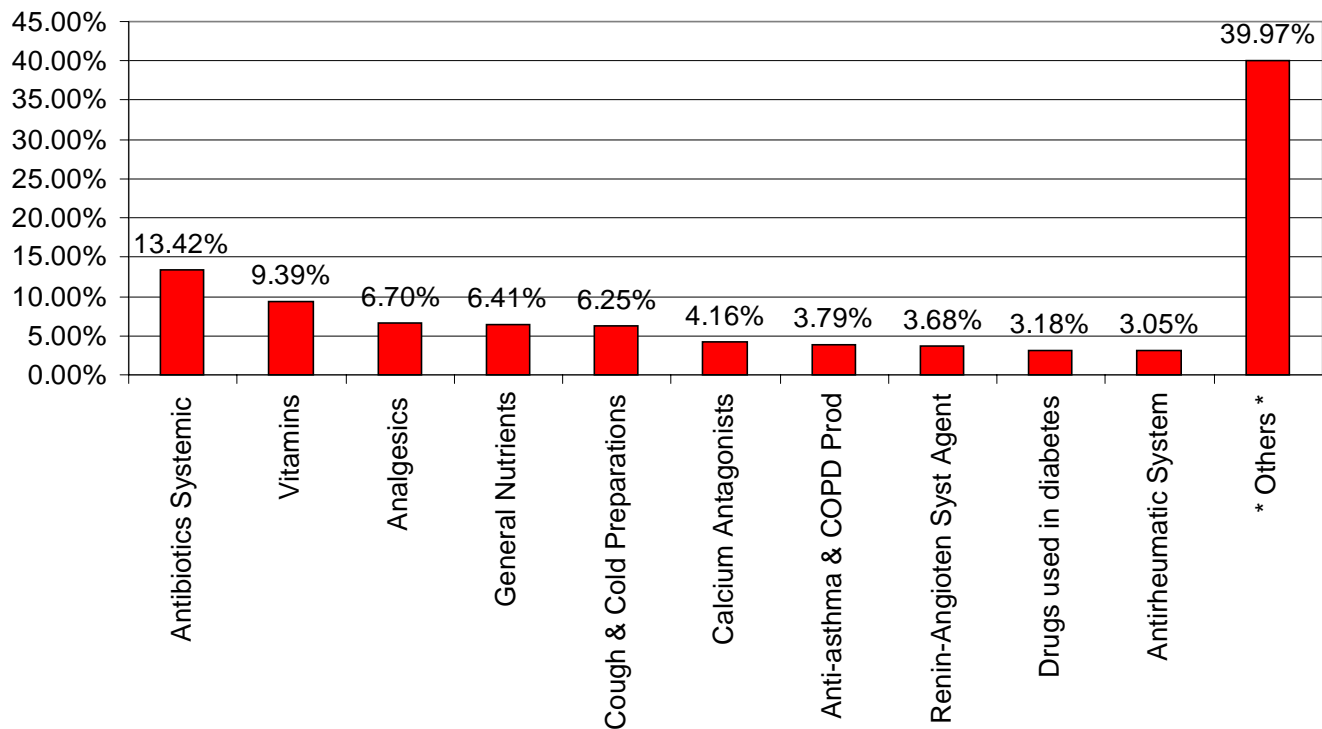


Chart 21: Breakdown of Hospital Market by Therapeutic Class Level 1

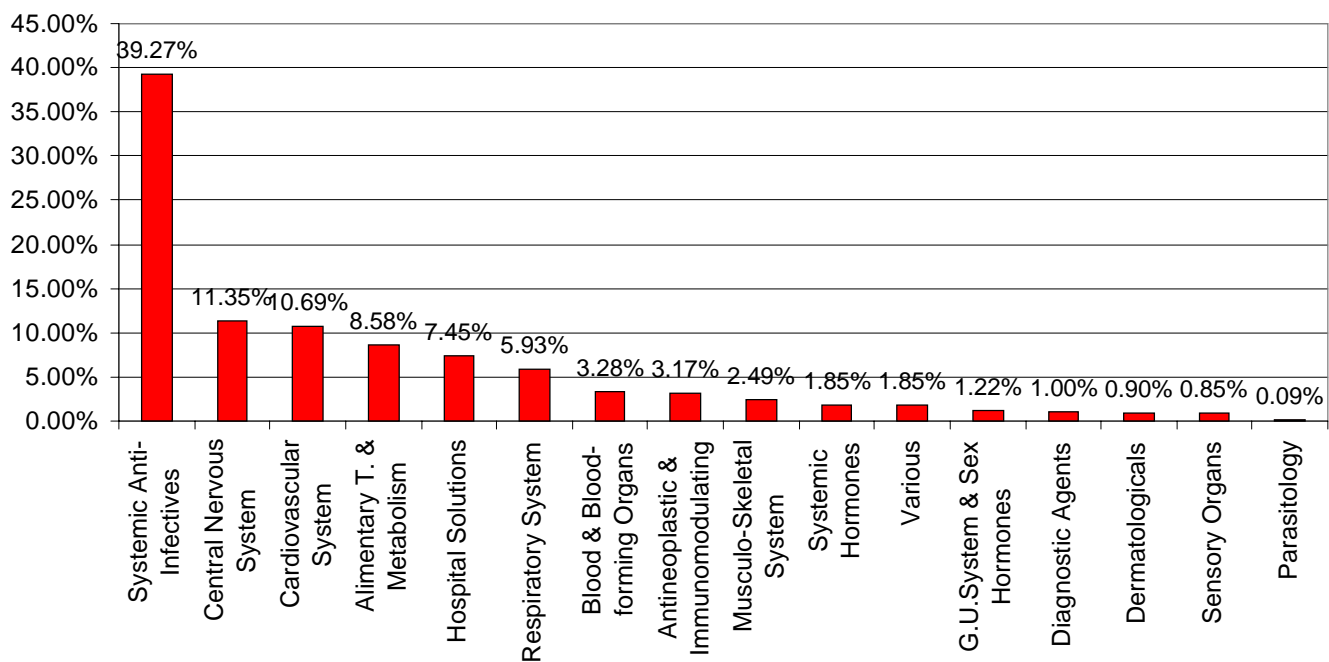
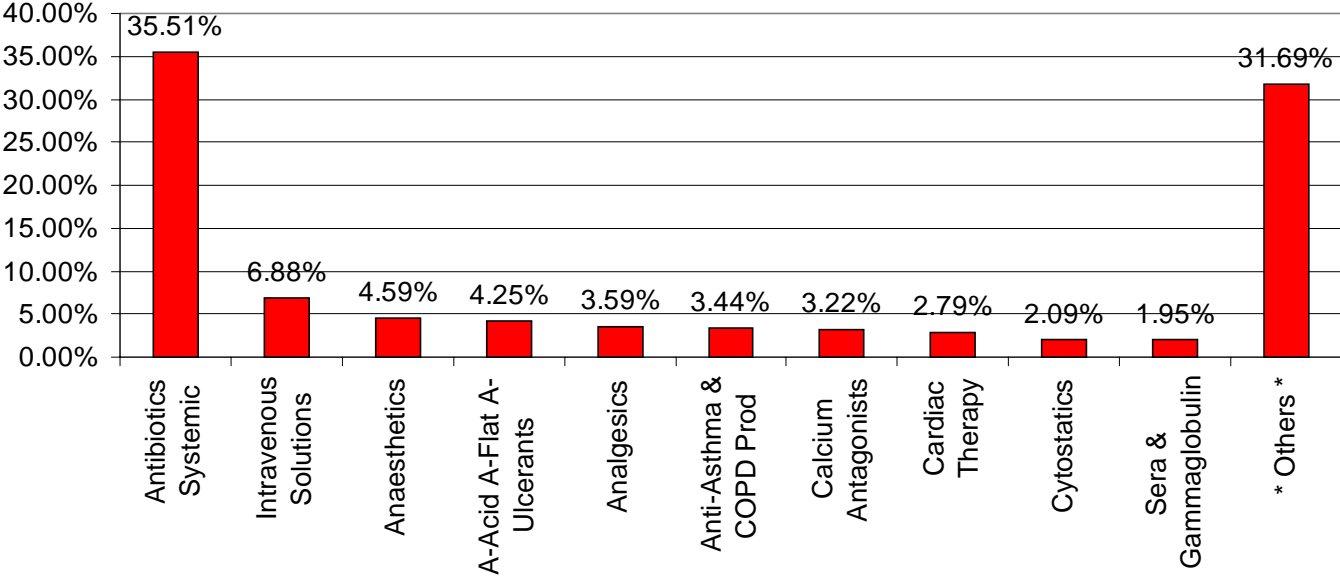


Chart 22: Breakdown of Hospital Market by Therapeutic Class Level 2



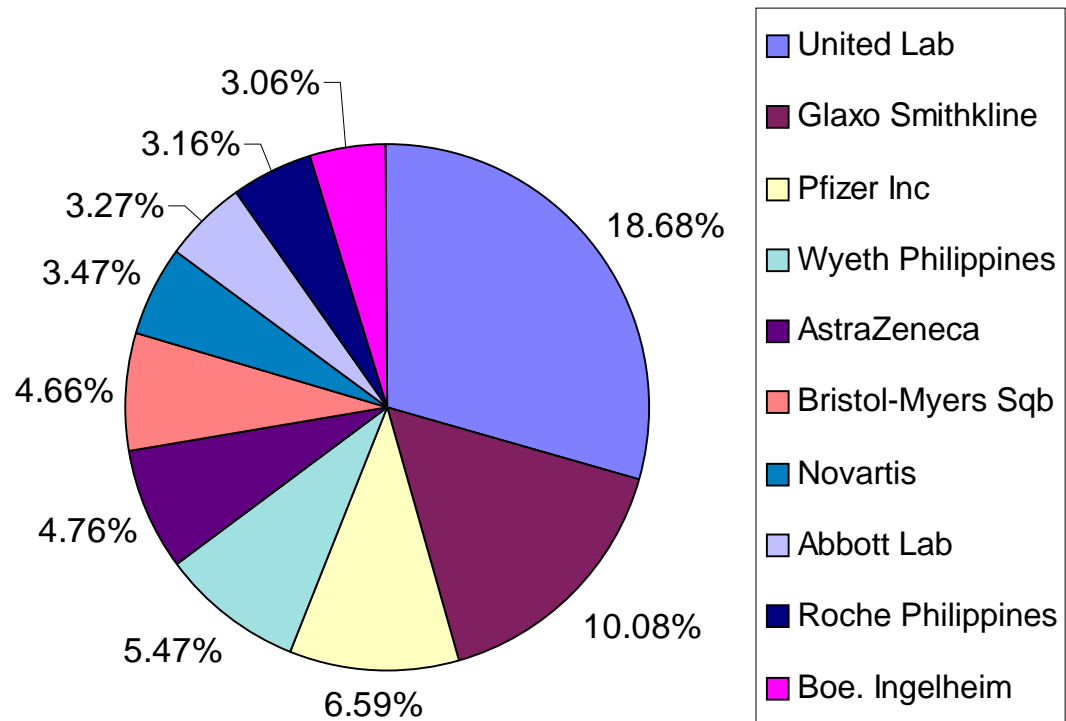
2.4 Market Players

2.4.1 Top Corporations

The top corporation in terms of sales has consistently been the local company United Laboratories (Unilab). Unilab has ranked number 1 in sales since 1998, and last year attained PhP12.3 billion, or 18.68% of the total market. Following Unilab, but by a very large gap, is Glaxo SmithKline (GSK), with only a little over half of Unilab's value, at PhP6.8 billion. These 2 corporations, along with Pfizer (3rd, at PhP4.3 billion), and Wyeth Philippines (4th, at PhP3.6 billion), have consistently held their respective positions in the top 4 since 1998. Bristol Myers-Squibb (BMS) has held the 5th place from 1998 to 2001, but was overtaken by Astra Zeneca by the end of 2002, having sales worth PhP3.1 billion.

(Chart 23; Tables 33-34)

Chart 23: Market Shares of Top 10 Corporations, 2002 (Total Market = PhP65.7B)



2.4.2 Top Products

Ventolin, GSK's anti-asthma drug, has consistently been the top selling product of all in the total market since 1993, only occasionally eclipsed by other products, such as Therapharma's Alaxan, which was briefly number 1 in 1997. In 2002, Ventolin registered sales of up to PhP1.2 billion. Alaxan, on the other hand, has consistently been in second place since 1998, and registered sales of up to PhP777 million in 2002. Other top brands as of 2002 are Norvasc by Pfizer (3rd), Enervon by Unilab (4th), and Augmentin by GSK (5th).

Top brands have relatively stabilized since 2001, after some fast climbers entered the top 10 since 1996 and caused major shuffles in brand positions (with the exception of course of Ventolin). Norvasc was one of these fast climbers, being out of the top 50 a decade ago, and now securely in the top 10. Lipitor by Pfizer has also dramatically shot up in sales, ranking only 68th in 1998, but now in 9th place. Ceelin by Pediatrica is also notable for its climb from number 20 in 1998 to 7 in 2002.

In contrast, brands such as Ponstan by Pfizer dropped out of the top 10 list by 2000. Biogesic by Biomedis has also been steadily falling down the list since 1998, and fell to 10th place by 2002, from 3rd place in 1997.

(Table 35)

2.5 Pricing

Pollard price indices are used to provide indications of price movements. The index is based on virtually the whole population rather than a small sample, with measurements taking place every six months. At the beginning of the six-month period, measurements are obtained by multiplying the quantity of each item sold by its price to obtain a beginning total. At the end of the six-month period, similar measurements are taken on the same products in order to obtain an ending total. The comparison of the ending total to the beginning total gives the weighted average price increase during that period. Products launched during a semester are not included, as well as those discontinued within the semester. The index uses a base date of December 1989.

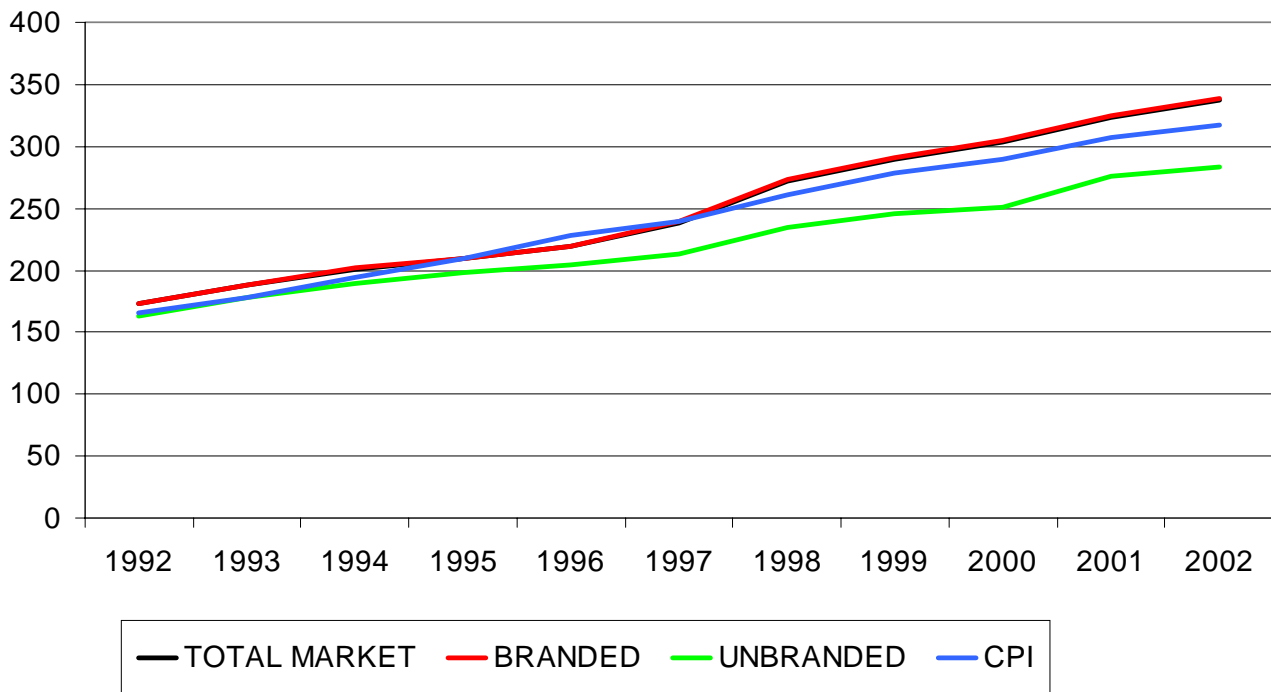
2.5.1 Drug Price Index (DPI) Increase vs. Consumer Price Index (CPI)

Drug prices have generally increased at more or less the same rate as consumer prices over the past decade, except in 1998, where prices shot up by 14% from the previous year, compared to a relatively low increase of 9% in prices of basic goods in the same period. This sudden price increase, attributed to the Asian Economic Crisis of that time, is evidence that the drug segment is more sensitive than most other basic goods to Philippine Peso devaluation.

By 1999, however, total market index rate of increase fell back to levels comparable to that of consumer price indices.

(Chart 24; Table 36)

Chart 24: Comparative Movements of CPI and Pharmaceutical Prices



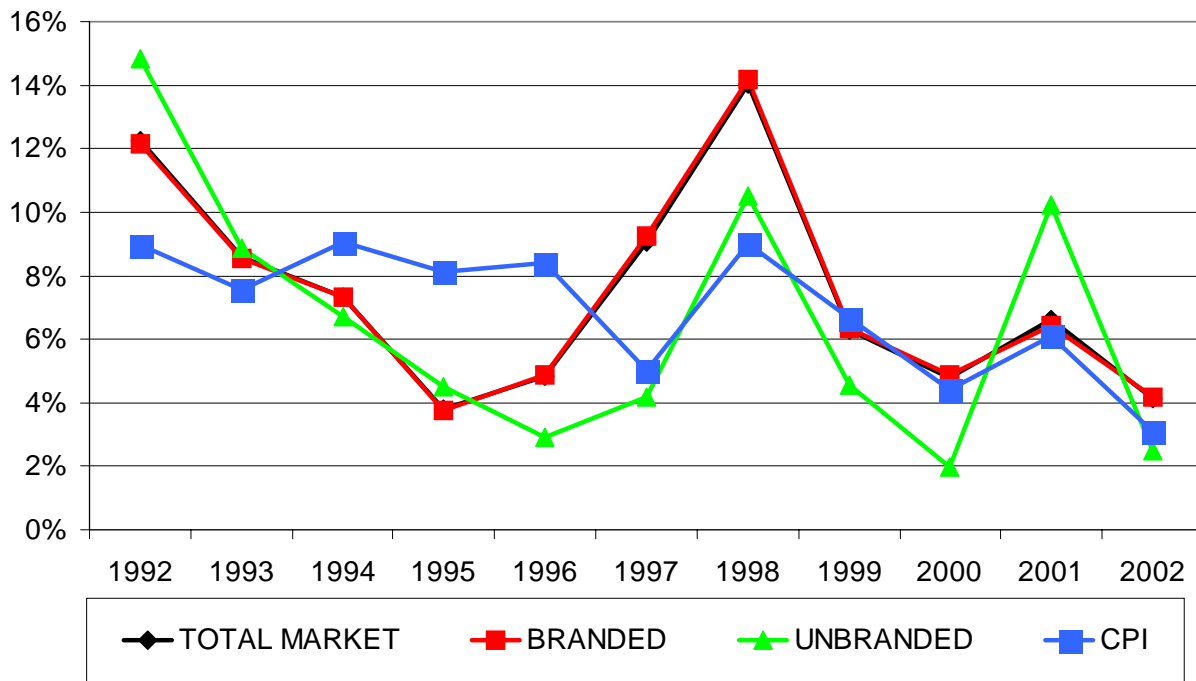
2.5.2 Branded vs. Unbranded Price Increase

Branded and Unbranded drug price indices generally followed the pattern of the total market index until 1998. The upshot of prices in 1998 was particularly

evident in the branded class, with the same 14% increase, compared to 11% in the unbranded class. After 1998, the unbranded class exhibited a somewhat more volatile rate of increase compared to the branded class. In 2001, for example, unbranded drug prices shot up by 10% from the previous year, but maintained a 2% increase from 2001 to 2002.

(Chart 25)

Chart 25: % Change in Pollard Index



2.6 Cost Structure

The cost of pharmaceutical goods manufactured has four major components, namely: cost of goods; operating and selling expenses; corporate tax; and net profits. Cost of goods makes up 49.2% of total cost, while operating and selling expenses make up the second largest share (40%). Corporate tax has an average share of only 3%, and net profits average around 7% of the total cost.

Within operating and selling expenses, selling costs and advertising and promotion cost have the largest shares, accounting for an average of 17% and 11% of

total cost, respectively. Salaries and benefits of personnel in particular, falling under operating and selling expenses, make up 7% of the total cost. Under advertising and promotion, around 5% of total cost goes to product sampling and scientific seminars. As may be expected, other items, such as research and development or clinical trials, make up only an average of less than 1% of the total cost, the local industry being more concentrated in compounding and manufacturing existing drugs rather than formulating breakthrough drugs.

(Chart 26)

Chart 26: Average Manufacturer/Trader Cost Structure

NET SALES			100%
1 COST OF GOODS MANUFACTURED AND SOLD			49.2
2 OPERATING AND SELLING EXPENSES			40.5
2.1 General Management Costs		6.4	
2.2 Selling Costs		17.25	
2.2.1 Salaries and benefits of marketing personnel	7.45		
2.2.2 Travel and motorization	3.7		
2.2.3 Other selling costs	6.1		
2.3 Advertising and promotion		11.53	
2.3.1 Literature and documentation	0.47		
2.3.2 Samples	2.18		
2.3.3 Scientific seminars	2.56		
2.3.4 Ads (OTC and ethical drugs)	1.37		
2.3.5 Entertainment and representation	0.43		
2.3.6 Other promo and advertising expenses	4.52		
2.4 R&D (Clinical trials etc)		0.61	
2.5 Royalties		0.7	
2.6 Interest and bank charges		1	
2.7 Other operating and selling expenses		3.01	
3 CORPORATE TAX			3.3
4 NET PROFITS			7

This survey was conducted in March 2003. A structured questionnaire was sent to PHAP member companies. They were asked to provide estimates of their company's cost structures. They were also instructed to consider only the manufacturer's/trader's cost

The items specified by the companies in the "Others" categories were:

a. Other Selling Costs

Meetings, Trainings, Seminars, Conferences, Rentals, Salesmen's Supplies, Telephone/Fax/Postage, Incentives, Commissions, Free Goods, Professional Fees and Marketing Administration.

b. Other Advertising and Promotion Expenses

Deals, Discounts, Give-aways, Dental Aids, Film Showings, Donations, Customer Incentives, Point of Purchase, Direct Mail, Promo Materials, Sponsorships, and Special Conferences.

c. Other Operating and Selling Expenses

Audit/Legal Fees, Insurance, Foreign Exchange Loss, Provision for Bad Debts, Depreciation, Warehousing/Delivery Charge, Expired Goods, Utilities, Administrative Expense, Management Fee, Share in Regional Office and Other Income/Interest Expense.

2.7 Main Channels Of Pharmaceutical Distribution

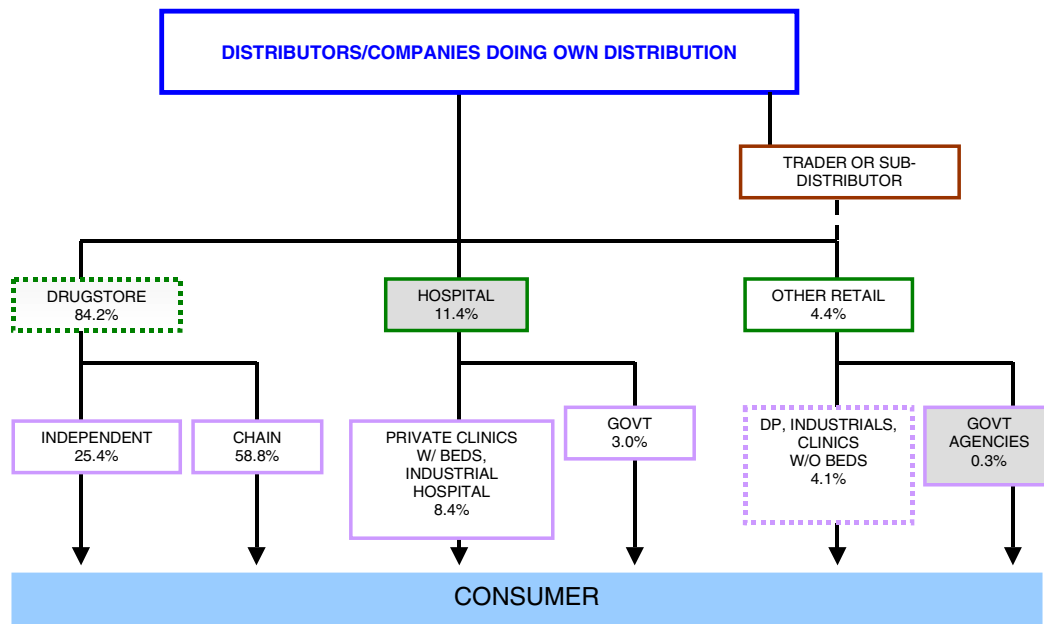
Most of the total goods (84%) are sold through the drugstores. Share of products sold by drugstores has actually increased from 79% in 1998, taking away shares from both hospital outlets, presently accounting for 11%, and other retail outlets, presently accounting for 4%.

Chain drugstores in particular have more than half (59%) of the total share of products sold, and independent drugstores have 25%. Other retail outlets are actually made up of dispensing physicians, large corporations who provide medication for their human resources (industrials), and clinics without beds.

Government figures very little in drug distribution, accounting for a total of only a little over than 3% of the total goods sold.

(Chart 27)

Chart 27: Pharmaceutical Distribution Channels



* Distribution of sales to other trade outlets assumed to follow pattern of distributors and manufacturers handling own distribution.



Market covered by PPI: 88.3%



Market covered by PHPA: 11.7%

2.8 Importation Of Pharmaceuticals

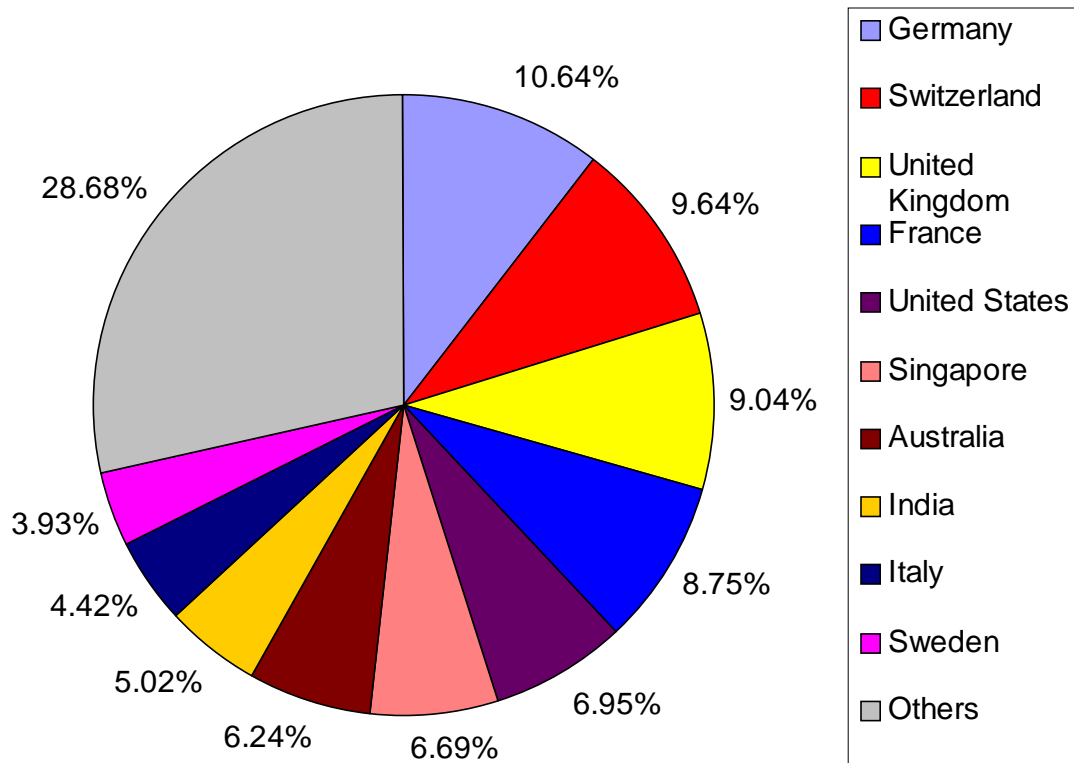
In 2002, total imports of medicinal and pharmaceutical products reached US\$364 million.

The top 10 countries of origin account for around 71% of the total value of imported pharmaceuticals. The top country of origin is Germany, contributing 11% of the imports, followed by Switzerland (10%), the United Kingdom (9%), France (9%), and the United States (7%). The next 5 are Singapore (7%), Australia (6%), India (5%), Italy (4%), and Sweden (4%).

Top countries of origin of imports have essentially remained the same over the years, although Singapore and India have contributed a higher proportion of imports compared to previous years.

(Chart 28; Table 37)

Chart 28: Share of Top Countries of Origin of Imports of Pharmaceuticals, 2002



2.9 Product Innovation And Discovery

The Philippine pharmaceutical market is highly dependent on import of raw materials for the manufacture of drugs. About 95% of the materials compounded in the country are imported, and the industry is concentrated on manufacturing products discovered and developed elsewhere. Compared to other more developed countries that have established themselves in the formulation of breakthrough pharmaceutical products, innovation and discovery of drugs in the country is relatively small business.

The development of herbal medicines, however, has recently become a fast-growing interest among Filipino doctors, scientists, and manufacturers. The workshop on Medicinal Plant Research And Business Opportunities, for example, concluded in the first quarter of this year at the University of the Philippines (UP), highlights the huge business potential of the variety of Philippine medicinal plants that remain untapped. Supporters of the local herbal medicine industry are now finding ways to standardize the research, development, and manufacture of herbal products, and hasten the product registration process. They are also aware of the need for government incentives to boost research and development of herbal medicines.

Some pharmaceutical corporations have begun to detect a growing interest among doctors with regard to these herbal products. Whether or not these herbal products will significantly affect the present dominance of branded multinational pharmaceuticals, however, remains to be seen.

2.10 Patents And Intellectual Property Protection

Patents and intellectual property protection of pharmaceutical products in the Philippines is generally not considered a problem. Authorities agree that pharmaceutical patents and trademarks are well-secured in the country. Under the Intellectual Property Code of the Philippines (IPO), patent protection in the country may be granted for up to 20 years from filing. The IPO also promulgates harsh penalties for infringement of patent and trademark rights.

There has been, however, a recent issue regarding infringement of patents and trademarks by illegal imports and counterfeit pharmaceutical products. BFAD officials believe that counterfeit manufacture in the Philippines itself is not so rampant, and that fake products usually originate from other countries.

Republic Act 8203 (RA8203), also known as the “Special Law On Counterfeit Drugs”, defines counterfeit medicines as follows:

“*Counterfeit Drug/medicine* refers to medicinal products with the correct ingredients, without active ingredients, with insufficient quantity of active ingredient, which results in the reduction of the drug’s safety, efficacy, quality, strength or purity. It is a drug which is deliberately fraudulently mislabeled with respect to identity and/or source or with fake packaging, and can apply to both branded and generic products. It shall also refer to:

1) the drug itself, or the container or labeling thereof or any part of such drug, container or labeling bearing without authorization the trademark, trade name or other identification mark or imprint or any likeness to that which is owned or registered in the Bureau of Patent, Trademark and Technology Transfer (BPTTT) in the name of another natural or juridical person;

2) a drug product refilled in containers by unauthorized persons if the legitimate labels or marks are used;

3) an unregistered imported drug product, except drugs brought in the country for personal use as confirmed and justified by accompanying medical records; and

4) a drug which contains no amount of, or a different active ingredient, or less than eighty percent (80%) of the active ingredient it purports to possess, as distinguished from an adulterated drug including reduction or loss of efficacy due to expiration.”

Sections 7 and 8 of RA8203 also enumerates the administrative sanctions and penalties for liable parties of counterfeit drugs:

Administrative Sanctions

-Permanent closure of the establishment and the revocation of its license to do business;

-A fine of not less than PhP100,000 but not more than PhP500,000;

-Upon order of Court, forfeiture, confiscation, and destruction of products found to be counterfeit and the equipment, instruments, and other articles used in violation of the Act;

-Filing of an appropriate proceeding against the registered pharmacist with the Professional Regulations Commission for cancellation of professional license;

-Filing of criminal charges against the violator(s), which can be instituted independently from the administrative case;

-Permanent disqualification of the person concerned, whether natural or juridical, from owning or operating an establishment engaged in any business activity under the supervision of the Bureau;

Penalties

-Imprisonment of not less than 6 months and 1 day, but not more than 6 years, for mere possession of counterfeit drugs;

-Imprisonment of 6 years and 1 day but not more than 10 years, or a fine not less than PhP100,000 but not more than PhP500,000, or both imprisonment and fine at the discretion of the court;

-imprisonment of not less than 6 months and 1 day, but not more than 2 years and 4 months if the counterfeit drug is intended for animals;

-imprisonment of not less than 6 years and 1 day, but not more than 10 years for any manufacturer, seller or distributor who shall conceal, substitute, dispose or destroy any drug as may have been segregated and sealed by the Bureau, or who shall break, alter or tamper any mark or seal used by the Bureau to identify those segregated as counterfeit;

-if, as a result of the drug found to be counterfeit, the illness sought to be cured is aggravated or physical injury or suffering results therefrom, a punishment of imprisonment from 12 to 15 years and a fine ranging from PhP 100,000 to PhP 500,000;

-should a counterfeit drug be the proximate cause of death of a victim, who unknowingly purchased and took a counterfeit drug, the penalty of life imprisonment and a fine of PhP 500,000 to PhP 5 million.

3.

summary comparison of the local pharmaceutical market and the world market

3.1 World Market Sizes

As may be expected, the world's largest economies make up most of the top largest pharmaceutical markets. The United States and Japan have consistently been number 1 and 2, respectively, but the US far overtakes all other markets in terms of value, which in 2001 was about US\$180 billion, and a huge growth rate of 19%. Japan's pharmaceutical market at the same period was estimated to be US\$53.5 billion, but as of 2001 registered -7% growth. Other top markets are Germany (US\$17.8 billion), France (US\$17.3 billion), and Italy (US\$11.9 billion).

The Philippine pharmaceutical market ranked 33rd as of 2001, above other countries such as Indonesia, Denmark, and Pakistan. This, however, is a demotion from its 2000 rank of number 30, and is a reflection of a continuing negative growth rate of 5%.

(Table 38)

3.2 Southeast Asian Market Sizes

The Philippines ranked 3rd in Southeast Asia as of 2001, behind only Korea and Taiwan, and has consistently been in this place since 1997. Korea is the largest market with a value of US\$3.8 billion, and Taiwan is second, at US\$2.6 billion. Thailand, Hong Kong, Malaysia, and Singapore have far lower market values compared to the upper 4 countries in the ranking.

Market size rankings of the 8 Southeast Asian countries have essentially remained the same since 1997.

(Table 39)

BFAD definitions of pharmaceutical establishments and outlets

1. PHARMACEUTICAL ESTABLISHMENTS

Manufacturers are those involved in the production of pharmaceutical products, including production, processing, compounding, finishing, filling, packing, repacking, altering, labeling, storage, distribution or sale (note that compounding and filling of prescriptions in hospital pharmacies are not considered production operations).

Traders are registered owners of drug products. They produce the raw materials and packaging components, and provide product monographs, quality control standards and procedures. They sub-contract the manufacture of such products to licensed manufacturers. Traders may also engage in distribution and/or marketing of their products.

Distributors/Importers import raw materials, active ingredients and/or finished products from local establishments for local distribution on a wholesale basis.

2. DRUG OUTLETS

Drugstores, Pharmacies, Boticas, including **Hospital Pharmacies** are drug outlets where registered drugs, chemical products, active principles, proprietary medicines or pharmaceutical specialties and dental medicines, galenical or veterinary preparations are compounded and/or dispensed.

Retail Outlets for Non-Prescription Drugs, including non-traditional outlets such as supermarkets and stores, are drug outlets where registered non-prescription or over-the-counter (OTC) drugs are sold in their original packages, bottles or containers or in small quantities not in their original containers.

appendix 2

tables

TABLE 1: POPULATION DISTRIBUTION BY AGE AND GENDER, 2000

Demographic	Both Genders		Male		Female	
	Number	Percent	Number	Percent	Number	Percent
Total Population	76,504,077	100.00%	38,524,267	50.40%	37,979,810	49.60%
0-4 years	9,669,502	12.64%	4,951,932	51.20%	4,717,570	48.80%
5-9 years	9,694,781	12.67%	4,962,013	51.20%	4,732,768	48.80%
10-14 years	8,949,614	11.70%	4,541,197	50.70%	4,408,417	49.30%
15-19 years	8,017,298	10.48%	4,017,830	50.10%	3,999,468	49.90%
20-24 years	7,069,403	9.24%	3,522,518	49.80%	3,546,885	50.20%
25-29 years	6,071,089	7.94%	3,053,616	50.30%	3,017,473	49.70%
30-34 years	5,546,294	7.25%	2,804,522	50.60%	2,741,772	49.40%
35-39 years	4,901,023	6.41%	2,496,821	50.90%	2,404,202	49.10%
40-44 years	4,163,494	5.44%	2,120,314	50.90%	2,043,180	49.10%
45-49 years	3,330,054	4.35%	1,696,712	51.00%	1,633,342	49.00%
50-54 years	2,622,316	3.43%	1,318,632	50.30%	1,303,684	49.70%
55-59 years	1,903,649	2.49%	943,133	49.50%	960,516	50.50%
60-64 years	1,633,150	2.13%	786,137	48.10%	847,013	51.90%
65-69 years	1,138,843	1.49%	533,469	46.80%	605,374	53.20%
70-74 years	797,970	1.04%	361,614	45.30%	436,356	54.70%
75-79 years	505,356	0.66%	218,622	43.30%	286,734	56.70%
80 and over	490,241	0.64%	195,185	39.80%	295,056	60.20%

Source: National Statistics Office

TABLE 2: POPULATION DISTRIBUTION BY REGION, 2000

Region	Number	Percent
Philippines	76,504,077	100.00%
NCR	9,932,560	12.99%
CAR	1,365,412	1.78%
Region I – Ilocos	4,200,478	5.49%
Region II – Cagayan	2,813,159	3.68%
Region III – Central Luzon	8,030,945	10.50%
Region IV – Southern Tagalog	11,793,655	15.42%
Region V – Bicol	4,686,669	6.13%
Region VI – Western Visayas	6,211,038	8.12%
Region VII – Central Visayas	5,706,953	7.46%
Region VIII – Eastern Visayas	3,610,355	4.72%
Region IX – Western Mindanao	3,091,208	4.04%
Region X – Northern Mindanao	2,747,585	3.59%
Region XI – Southern Mindanao	5,189,335	6.78%
Region XII – Central Mindanao	2,598,210	3.40%
ARMM	2,412,159	3.15%
CARAGA	2,095,367	2.74%

Source: National Statistics Office

TABLE 3: TEN LEADING CAUSES OF MORBIDITY, 2001

Cause	Number	Rate Per 100,000
Diarrheas	845,526	1085.00
Bronchitis/Bronchiolitis	694,836	891.70
Pneumonias	652,585	837.40
Influenza	499,887	641.50
Hypertension	318,521	408.70
TB Respiratory	110,841	142.20
Diseases of the Heart	47,040	60.40
Malaria	40,543	52.00
Measles	24,494	31.40
Chickenpox	24,359	31.30

Source: Field Health Service Information System

TABLE 4: TEN LEADING CAUSES OF MORTALITY, 1998

Cause	Number	Rate Per 100,000
Diseases of the Heart	55,830	76.30
Diseases of the Vascular System	41,380	56.60
Pneumonias	33,709	46.10
Malignant Neoplasms	32,090	43.90
Accidents	29,874	40.80
Tuberculosis, All Forms	28,041	38.30
Chronic Obstructive Pulmonary	14,228	
Diseases & Allied Conditions		19.50
Diebetes Mellitus	8,819	12.10
Other Diseases of the Respiratory	7,516	
System		10.30
Nephritis, Nephrotic Syndrome and	7,453	
Nephrosis		10.20

Source: Field Health Service Information System

TABLE 5: DISTRIBUTION OF TOTAL FAMILY EXPENDITURE BY MAJOR EXPENDITURE GROUP, 2000

Expenditure Group	Philippines	Urban	Rural
Total	100	100	100
Food	43.60	39.90	51.80
Food consumed at home	38.70	34.30	48.30
Food consumed outside the home	5.00	5.60	3.50
Alcoholic beverages	0.70	0.60	0.90
Tobacco	1.10	0.80	1.60
Housing	14.20	16.70	8.90
Fuel, light, and water	6.30	6.40	5.90
Household furnishings & equipment	2.50	2.70	2.00
Household operations	2.30	2.50	1.90
Clothing footwear & other wear	2.70	2.60	3.00
Personal care & effects	3.60	3.60	3.60
Medical care	1.90	1.90	2.00
Transportation & communication	6.80	7.80	4.60
Recreation	0.50	0.60	0.30
Education	4.20	4.40	3.80
Gifts and contributions	0.90	0.90	0.90
Taxes	2.10	2.60	1.10
Special occasions	2.40	2.20	3.00
Other expenditures	4.00	3.70	4.80

Source: IMS

Table 6: PER CAPITA PHARMACEUTICAL CONSUMPTION BY COUNTRY IN 2001

Country	Market Size (US\$ million)	Population (million)	Per capita consumption
South Korea	3,778	47.7	79.2
Taiwan	2,563	22.3	114.9
Philippines	1,062	78.5	13.5
Indonesia	1,025	216.0	4.7
Thailand	780	61.4	12.7
Hong Kong	425	6.9	61.6
Malaysia	308	23.8	12.9
Singapore	241	4.1	58.8
TOTAL	10,182	460.7	22.1

Source: IMS Health Audits and Asiaweek Nov 2001 (for the population statistics)

TABLE 7: NUMBER OF LICENSED GOVERNMENT HOSPITALS BY CATEGORY, 2002

Region	Primary		Secondary		Tertiary		Total	
	Hospitals	Beds	Hospitals	Beds	Hospitals	Beds	Hospitals	Beds
Philippines	320	6,703	259	14,410	83	24,307	662	45,420
NCR	8	338	14	1,605	29	13,777	51	15,720
CAR	15	248	11	505	1	350	27	1,103
Region I – Ilocos	18	320	13	550	7	1,050	38	1,920
Region II – Cagayan	21	413	15	650	2	600	38	1,663
Region III – Central Luzon	12	198	37	1,650	7	1,555	56	3,403
Region IV – Southern Tagalog	46	597	44	2,720	5	900	95	4,217
Region V – Bicol	28	851	16	450	6	1,100	50	2,401
Region VI – Western Visayas	20	284	29	1,600	4	1,100	53	2,984
Region VII – Central Visayas	36	540	18	1,275	3	1,050	57	2,865
Region VIII – Eastern Visayas	33	885	14	900	2	350	49	2,135
Region IX – Western Mindanao	16	789	6	550	2	300	24	1,639
Region X – Northern Mindanao	14	210	8	525	4	600	26	1,335
Region XI – Southern Mindanao	18	230	10	325	5	850	33	1,405
Region XII – Central Mindanao	9	350	9	515	2	275	20	1,140
ARMM	4	120	7	265	0	0	11	385
CARAGA	22	330	8	325	4	450	34	1,105

Source: Department Of Health

TABLE 8: NUMBER OF LICENSED PRIVATE HOSPITALS BY CATEGORY, 2002

Region	Primary		Secondary		Tertiary		Total	
	Hospitals	Beds	Hospitals	Beds	Hospitals	Beds	Hospitals	Beds
Philippines	516	7,214	396	11,346	165	21,211	1,077	39,771
NCR	28	424	57	1,839	42	8,621	127	10,884
CAR	10	159	7	217	1	160	18	536
Region I – Ilocos	55	678	25	638	7	601	87	1,917
Region II – Cagayan	27	291	14	456	1	50	42	797
Region III – Central Luzon	40	364	78	1,743	18	1,498	136	3,605
Region IV – Southern Tagalog	60	730	87	2,186	29	2,515	176	5,431
Region V – Bicol	45	576	20	540	8	495	73	1,611
Region VI – Western Visayas	6	97	4	130	9	1,570	19	1,797
Region VII – Central Visayas	16	255	15	604	15	2,482	46	3,341
Region VIII – Eastern Visayas	16	220	10	280	2	225	28	725
Region IX – Western Mindanao	22	311	16	444	3	261	41	1,016
Region X – Northern Mindanao	40	611	116	607	7	622	63	1,840
Region XI – Southern Mindanao	87	1,628	22	791	14	1,486	123	3,905
Region XII – Central Mindanao	41	576	22	746	6	425	69	1,747
ARMM	3	52	0	0	0	0	3	52
CARAGA	20	242	3	3	3	3	26	567

Source: Department Of Health

TABLE 9: NUMBER OF CLINICAL LABORATORIES IN THE PHILIPPINES, 2003

Region	Government			Private			Grand Total
	Free- Standing	Hospital- Based	Total	Free- Standing	Hospital- Based	Total	
Philippines	20	463	483	995	824	1,819	2,302
NCR	7	49	56	409	117	526	123
CAR	1	34	35	19	21	40	67
Region I – Ilocos	0	33	33	25	65	90	277
Region II – Cagayan	1	30	31	9	27	36	330
Region III – Central Luzon	0	38	38	120	119	239	87
Region IV – Southern Tagalog	3	46	49	145	136	281	159
Region V – Bicol	2	31	33	27	27	54	148
Region VI – Western Visayas	1	38	39	81	39	120	61
Region VII – Central Visayas	2	45	47	50	51	101	58
Region VIII – Eastern Visayas	0	26	26	20	15	35	69
Region IX – Western Mindanao	0	15	15	15	28	43	130
Region X – Northern Mindanao	0	15	15	8	46	54	91
Region XI – Southern Mindanao	3	17	20	39	71	110	582
Region XII – Central Mindanao	0	23	23	18	50	68	75
ARMM	0	22	22	0	0	0	22
CARAGA	0	1	1	10	12	22	23

Source: IMS

TABLE 10: NUMBER OF BLOOD BANKS IN THE PHILIPPINES, 2003

Region	Free- Standing	Hospital- Based	Total
Philippines	19	110	129
NCR	3	46	49
CAR	0	3	3
Region I – Ilocos	2	6	8
Region II – Cagayan	0	3	3
Region III – Central Luzon	1	6	7
Region IV – Southern Tagalog	1	14	15
Region V – Bicol	1	0	1
Region VI – Western Visayas	2	5	7
Region VII – Central Visayas	2	12	14
Region VIII – Eastern Visayas	1	3	4
Region IX – Western Mindanao	0	1	1
Region X – Northern Mindanao	0	2	2
Region XI – Southern Mindanao	2	2	4
Region XII – Central Mindanao	2	4	6
ARMM	0	0	0
CARAGA	2	3	5

Source: IMS

TABLE 11: NUMBER OF HEALTH UNITS IN THE PHILIPPINES, 2003

Region	Regional Health Units/Main Health Units	Barangay Health Service
Philippines	1,947	7,467
NCR	212	2
CAR	89	526
Region I – Ilocos	147	819
Region II – Cagayan	100	387
Region III – Central Luzon	143	192
Region IV – Southern Tagalog	282	680
Region V – Bicol	129	268
Region VI – Western Visayas	133	306
Region VII – Central Visayas	148	341
Region VIII – Eastern Visayas	97	718
Region IX – Western Mindanao	70	540
Region X – Northern Mindanao	79	530
Region XI – Southern Mindanao	94	810
Region XII – Central Mindanao	54	524
ARMM	90	353
CARAGA	80	471

Source: IMS

TABLE 12: NUMBER OF HEALTH WORKERS IN LOCAL GOVERNMENT UNITS, 2001

Region	Number			
	Doctors	Dentists	Nurses	Midwives
Philippines	2,957	1,958	4,819	16,612
NCR	685	578	823	1,229
CAR	79	35	140	584
Region I – Ilocos	159	97	214	1,026
Region II – Cagayan	116	63	206	821
Region III – Central Luzon	229	159	372	1,398
Region IV – Southern Tagalog	340	266	638	2,374
Region V – Bicol	181	94	326	949
Region VI – Western Visayas	263	123	467	1,718
Region VII – Central Visayas	244	113	416	1,451
Region VIII – Eastern Visayas	134	98	226	890
Region IX – Western Mindanao	97	45	205	766
Region X – Northern Mindanao	117	79	242	886
Region XI – Southern Mindanao	118	97	198	918
Region XII – Central Mindanao	61	36	132	631
ARMM	65	19	80	372
CARAGA	69	56	134	599

Source: Field Health Service Information System

TABLE 13: NUMBER OF DOCTORS BY SPECIALTY, 2001

Region	NCR		Luzon		Visayas		Mindanao		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
General Practice	4,749	24.9	5,795	45.9	3,057	43.1	2,647	48.7	16,248	36.7
Internal Medicine	3,927	20.6	1,794	14.2	1,201	16.9	735	13.5	7,657	17.3
IM General	3,118	79.4	1,653	92.1	1,057	88	685	93.1	6,513	85
Pulmonology	387	9.9	57	3.2	61	5.1	20	2.7	525	6.9
Endocrinology	137	3.5	31	1.7	27	2.2	8	1.1	203	2.7
Oncology	118	3	19	1.1	10	0.8	7	1	154	2
Gastroenterology	167	4.3	34	1.9	46	3.8	15	2	262	3.4
Cardiology	573	3	120	1	95	1.3	41	0.8	829	1.9
Dermatology	568	3	171	1.4	58	0.8	52	1	849	1.9
Pediatrics	3,171	16.6	1,639	13	978	13.8	629	11.6	6,417	14.5
OB_Gynecology	2,220	11.6	1,292	10.2	758	10.7	560	10.3	4,830	10.9
Surgery	2,207	11.6	1,216	9.6	661	9.3	531	9.8	4,615	10.4
General Surgery	1,662	75.3	993	81.7	560	84.7	457	86.1	3,672	79.6
Orthopedic Surgery	363	16.4	163	13.4	78	11.8	57	10.7	661	14.3
Urosurgery	162	8.2	60	4.9	23	3.5	17	3.2	282	6.1
EENT	1,175	6.2	469	3.7	197	2.8	189	3.5	2,030	4.6
Ophthalmology	506	43.1	99	21.1	57	28.9	33	17.5	695	34.2
EENT/ENT	669	56.9	370	78.9	140	71.1	156	82.5	1,335	65.8
Psychia/Neuro	496	2.6	127	1	88	1.2	52	1	763	1.7
Psychiatry	241	48.6	70	55.1	56	63.6	34	65.4	401	52.6
Neurology	255	51.4	57	44.9	32	36.4	18	34.6	362	47.4
Total	19,086	100	12,623	100	7,093	100	5,436	100	44,238	100

Source: IMS

TABLE 14: TOTAL HEALTH EXPENDITURE, 1992-2001

Statistics	Year										Average Annual Growth Rate
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	
Total Health Expenditure (PhP millions), Current Prices	39,597	47,358	54,602	65,205	76,206	87,078	93,521	103,424	113,454	119,392	
Health Expenditure Growth Rate at Current Prices	10.40	19.60	15.30	19.40	16.90	14.30	7.40	10.60	9.70	5.20	13.00
Total Health Expenditure (PhP millions), 1985 Prices	21,198	23,705	25,226	27,893	29,887	32,236	31,584	32,750	34,416	34,154	
Health Expenditure Growth Rate at 1985 Prices	1.70	11.80	6.40	10.60	7.10	7.90	-2.00	3.70	5.10	(-0.8)	5.40

Source: Philippine National Health Accounts

TABLE 15: HEALTH EXPENDITURE PER CAPITA, 1992-2001

Statistics	Year										Average Annual Growth Rate
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	
Health Expenditure Per Capita (PhP) Current Prices	620	725	817	953	1,089	1,215	1,275	1,378	1,477	1,519	10.50
Health Expenditure Per Capita (PhP), 1985 Prices	332	363	377	408	427	450	431	436	448	435	3.00
Population (million)	63.80	65.30	66.80	68.40	70.00	71.60	73.30	75.00	76.80	78.60	2.30
Total Health Expenditure Growth Rate	10.40	19.60	15.30	19.40	16.90	14.30	7.40	10.60	9.70	5.20	
Population Growth Rate	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	

Source: Philippine National Health Accounts

TABLE 16: SHARE OF HEALTH EXPENDITURE TO GNP, 1992-2001

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
2.9	3.2	3.1	3.3	3.4	3.4	3.3	3.3	3.2	3.1

Source: Philippine National Health Accounts

TABLE 17: AMOUNT OF HEALTH EXPENDITURE BY SOURCE OF FUNDS

Source Of Funds	Year										Growth Rate 2000-2001	Average Annual Growth Rate
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001		
Government	13,926	17,334	20,333	23,033	27,669	33,347	36,975	41,075	46,610	44,715	-4.10	11.70
National	12,198	11,400	11,607	12,603	15,191	17,865	19,636	21,725	24,404	19,774	-19.00	7.80
Local	1,729	5,935	8,726	10,430	12,479	15,482	17,339	19,351	22,206	24,941	12.30	15.60
Social Insurance	2,363	3,014	3,115	2,958	3,854	4,465	3,574	5,263	8,059	9,259	14.90	16.40
NHIP	2,262	2,874	2,931	2,773	3,650	4,241	3,313	4,996	7,800	8,994	15.30	16.60
Employees' Compensation	101	140	184	185	204	224	261	267	258	265	2.60	11.30
Private Sources	23,307	27,010	31,154	39,215	44,683	49,267	52,971	57,085	58,785	65,418	11.30	12.20
Out-Of-Pocket	19,632	22,615	25,920	32,880	37,118	40,826	43,737	45,409	46,536	51,134	9.90	11.20
Private Insurance	1,121	1,140	1,139	1,156	1,278	1,689	1,894	2,316	2,305	1,563	-32.20	3.80
HMO's	521	673	896	1,293	1,740	2,174	2,751	4,142	4,381	6,838	56.10	33.10
Employer-Based Plans	1,656	2,147	2,670	3,250	3,853	3,846	3,775	4,184	4,271	4,527	6.00	11.80
Private Schools	378	434	530	635	695	732	814	1,035	1,292	1,356	5.00	15.30
All Sources	39,597	47,358	54,602	65,205	76,206	87,078	93,521	103,424	113,454	119,392	5.20	13.00

Source: Philippine National Health Accounts

TABLE 18: DISTRIBUTION OF PHARMACEUTICAL ESTABLISHMENTS, 2003

Establishment	MM		Luzon		Visayas		Mindanao		Total	
	#	%	#	%	#	%	#	%	#	%
Retail Outlets										
Drugstore	2935	62.81%	6869	79.98%	2907	78.48%	2802	76.06%	15513	75.13%
RONPD	139	2.97%	25	0.29%	17	0.46%	8	0.22%	189	0.92%
Chinese	68	1.46%	2	0.02%	6	0.16%	9	0.24%	85	0.41%
Hospital Pharmacy		0.00%		0.00%		0.00%		0.00%		0.00%
Private	147	3.15%	464	5.40%	134	3.62%	262	7.11%	1007	4.88%
Gov't	63	1.35%	267	3.11%	138	3.73%	143	3.88%	611	2.96%
Drug Distributor		0.00%		0.00%		0.00%		0.00%		0.00%
Importer	337	7.21%	19	0.22%	18	0.49%	1	0.03%	375	1.82%
Wholesaler	590	12.63%	755	8.79%	393	10.61%	393	10.67%	2131	10.32%
Exporter	1	0.02%	0	0.00%	0	0.00%	0	0.00%	1	0.00%
Importer/Wholesaler	83	1.78%	3	0.03%	0	0.00%	2	0.05%	88	0.43%
Importer/Exporter	9	0.19%	1	0.01%	0	0.00%	0	0.00%	10	0.05%
Exporter/Wholesaler	0	0.00%	1	0.01%	0	0.00%	0	0.00%	1	0.00%
Importer/Exporter/Wholesaler	3	0.06%	0	0.00%	0	0.00%	0	0.00%	3	0.01%
Medical Devices		0.00%		0.00%		0.00%		0.00%		0.00%
Importer	158	3.38%	8	0.09%	5	0.13%	1	0.03%	172	0.83%
Importer/Wholesaler	17	0.36%	1	0.01%	3	0.08%	-1	-0.03%	20	0.10%
Wholesaler	123	2.63%	173	2.01%	83	2.24%	64	1.74%	443	2.15%
Exporter	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
TOTAL	4673	100.00%	8588	100.00%	3704	100.00%	3684	100.00%	20649	100.00%

Source: BFAD

TABLE 19: PRODUCT REGISTRATION AS OF 2001

Product Classification	No. Of Applications Unprocessed As Of Dec. 2000	No. Of Applications Renewed As Of Dec. 2001	No. Of Applications Processed As Of Dec. 2001	No. Of Applications Unprocessed As Of Dec. 2001
Drugs (Including medical devices, diagnostic reagents, biologicals, veterinary products, donations, household remedies, herbals)	7,387	5,264	8,071	4,580
Food products	8,581	7,798	11,879	4,499
Cosmetics	6,174	9,723	9,652	6,785
Total	22,682	22,784	29,602	15,864

Source: BFAD

TABLE 20 : NUMBER OF BRANDS IN MAJOR THERAPEUTIC CATEGORIES

THERAPEUTIC CLASS		2000	2001	2002
A	Alimentary T. & Metabolism	578	595	600
B	Blood & Blood-forming Organs	115	116	116
C	Cardiovascular System	238	244	234
D	Dermatologicals	285	276	269
G	G.U.System & Sex Hormones	128	125	129
H	Systemic Hormones	62	65	53
J	Systemic Anti-Infectives	826	843	811
K	Hospital Solutions	96	96	94
L	Antineoplastic & Immunomodulating Agents	106	109	110
M	Musculo-Skeletal System	142	133	125
N	Central Nervous System	388	351	350
P	Parasitology	29	27	27
R	Respiratory System	394	392	377
S	Sensory Organs	143	137	143
T	Diagnostic Agents	32	32	29
V	Various	165	166	180
TOTAL BRANDS		3,727	3,707	3,647

Note: Brands with sales for the year only.

Source: IMS

TABLE 21: THERAPEUTIC CATEGORIES OF BRANDED PRODUCTS INTRODUCED IN 2000-2002

THERAPEUTIC CATEGORIES		TOTAL	2000	2001	2002
A	Alimentary T. & Metabolism	41	21	10	10
B	Blood & Blood-forming Organs	8	2	3	3
C	Cardiovascular System	25	9	5	11
D	Dermatologicals	11	4	4	3
G	G.U.System & Sex Hormones	7	4	1	2
H	Systemic Hormones	3	3	-	-
J	Systemic Anti-Infectives	32	19	10	3
K	Hospital Solutions	1	-	1	-
L	Antineoplastic & Immunomodulating Agents	22	11	2	9
M	Musculo-Skeletal System	11	5	1	5
N	Central Nervous System	17	11	3	3
P	Parasitology	1	1	-	-
R	Respiratory System	25	14	3	8
S	Sensory Organs	16	4	6	6
T	Diagnostic Agents	4	1	3	-
V	Various	28	12	6	10

Source: IMS

TABLE 22 : THERAPEUTIC CATEGORIES OF UNBRANDED PRODUCTS INTRODUCED IN 2000-2002

THERAPEUTIC CATEGORIES		TOTAL	2000	2001	2002
A	Alimentary T. & Metabolism	4	1	-	3
B	Blood & Blood-forming Organs	1	1	-	-
C	Cardiovascular System	4	1	-	3
D	Dermatologicals	-	-	-	-
G	G.U.System & Sex Hormones	-	-	-	-
H	Systemic Hormones	2	1	1	-
J	Systemic Anti-Infectives	4	1	2	1
K	Hospital Solutions	-	-	-	-
L	Antineoplastic & Immunomodulating Agents	2	2	-	-
M	Musculo-Skeletal System	-	-	-	-
N	Central Nervous System	2	2	-	-
P	Parasitology	-	-	-	-
R	Respiratory System	5	2	-	3
S	Sensory Organs	-	-	-	-
T	Diagnostic Agents	-	-	-	-
V	Various	3	2	1	-

Source: IMS

TABLE 23 : NUMBER OF BRANDS OF TOP 20 CORPORATIONS

CORPORATE GROUP		2000	%	2001	%	2002	%
TOTAL BRANDS		3,727	100	3,707	100	3,647	100
TOTAL BRANDS OF TOP 20 CORP		1,399	37.54	1,357	36.61	1,316	36.08
1	United Lab	275	7.38	268	7.23	251	6.88
2	Glaxo-Smithkline	114	3.06	112	3.02	106	2.91
3	Pfizer Inc	53	1.42	50	1.35	49	1.34
4	Wyeth Philippines	55	1.48	54	1.46	53	1.45
5	AstraZeneca	52	1.40	53	1.43	51	1.40
6	Bristol-Myers Sqb	67	1.80	65	1.75	64	1.75
7	Novartis	118	3.17	110	2.97	105	2.88
8	Abbott Lab	82	2.20	72	1.94	67	1.84
9	Roche Philippines	70	1.88	71	1.92	65	1.78
10	Boe. Ingelheim	29	0.78	25	0.67	29	0.80
11	Sanofi-Synthelabo	45	1.21	43	1.16	44	1.21
12	Pharmacia Phil Inc	66	1.77	64	1.73	62	1.70
13	Eli Lilly	27	0.72	27	0.73	27	0.74
14	Merck Sharp & Dohme	33	0.89	32	0.86	30	0.82
15	Aventis Pharma	45	1.21	39	1.05	30	0.82
16	Johnson	39	1.05	41	1.11	40	1.10
17	Bayer Pharma	19	0.51	18	0.49	17	0.47
18	Schering Plough	39	1.05	39	1.05	44	1.21
19	Pascual Labs	64	1.72	72	1.94	83	2.28
20	Zuellig Pharma Cor	107	2.87	102	2.75	99	2.71

Source: IMS

TABLE 24 : SIZE AND COMPOSITION OF TOTAL MARKET

	1998	1999	2000	2001	2002
Drugstore	39.9	45	49	53.3	57.8
Hospital	6	6.19	6	7.2	7.9

Source: IMS

TABLE 25 : REGIONAL DISTRIBUTION OF TOTAL MARKET, 2000-2002

	2000	2001	2002
TOTAL SALES (P BILLION)	54.8	60.5	65.7
REGIONAL SHARE (%)			
Metro Manila	45.7	45.9	44.2
Luzon	27.6	27.5	28.9
Visayas	14.7	14.6	14.8
Mindanao	12.0	12.0	12.1

Source: IMS

TABLE 26 : BREAKDOWN OF TOTAL MARKET (PhP MILLION)

	2000	2001	2002
TOTAL MARKET	54,772	60,451	65,670
ETHICAL	39,612	43,865	47,885
PROPRIETARY	15,160	16,586	17,786
BRANDED	52,349	57,875	63,239
UNBRANDED	2,423	2,576	2,432
DRUGSTORE	48,555	53,261	57,759
HOSPITAL	6,216	7,190	7,912
PRIVATE	2,117	4,913	5,479
GOVERNMENT	2,100	2,277	2,433

Source: IMS

TABLE 27 : BREAKDOWN OF TOTAL MARKET BY THERAPEUTIC CLASS LEVEL 1

	1998		1999	2000		2001		2002	
	P(Million)	% Share	P(Million)	P(Million)	% Share	P(Million)	% Share	P(Million)	% Share
TOTAL MARKET	45,895	100	51,496	54,772	100	60,451	100	65,670	100
A Alimentary T. & Metabolism	8,103	17.66	9,227	10,248	18.71	11,382	18.83	12,482	19.01
J Systemic Anti-Infectives	10,166	22.15	11,173	11,188	20.43	11,709	19.37	12,353	18.81
C Cardiovascular System	4,956	10.8	5,835	6,730	12.29	7,793	12.89	9,087	13.84
R Respiratory System	5,564	12.12	6,601	6,743	12.31	7,119	11.78	7,819	11.91
N Central Nervous System	4,394	9.57	4,946	5,393	9.85	5,954	9.85	6,575	10.01
V Various	3,842	8.37	4,048	3,756	6.86	4,323	7.15	4,175	6.36
M Musculo-Skeletal System	1,621	3.53	1,868	2,022	3.69	2,261	3.74	2,576	3.92
D Dermatologicals	2,182	4.75	2,192	2,287	4.17	2,446	4.05	2,512	3.82
G G.U.System & Sex Hormones	1,174	2.56	1,346	1,546	2.82	1,779	2.94	2,024	3.08
B Blood & Blood-forming Organs	912	1.99	1,048	1,206	2.2	1,523	2.52	1,824	2.78
L Antineoplastic & Immunomodulating Agents	300	0.65	628	761	1.39	1,062	1.76	1,238	1.89
H Systemic Hormones	766	1.67	844	920	1.68	997	1.65	1,060	1.61
S Sensory Organs	640	1.39	612	827	1.51	734	1.22	865	1.32
K Hospital Solutions	978	2.13	827	822	1.5	1,004	1.66	758	1.15
P Parasitology	203	0.44	215	247	0.45	237	0.39	208	0.32
T Diagnostic Agents	93	0.2	86	76	0.14	124	0.2	115	0.18

Source: IMS

TABLE 28 : BREAKDOWN OF TOTAL MARKET BY THERAPEUTIC CLASS LEVEL 2

	1998		1999		2000		2001		2002	
	P (Million)	% Share	P (Million)	% Share	P (Million)	% Share	P (Million)	% Share	P (Million)	% Share
TOTAL MARKET	45,895	100	51,496	100	54,772	100	60,451	100	65,670	100
J01 Antibiotics Systemic	8,709	18.98	9,349	18.15	9,402	17.17	9,881	16.34	10,559	16.08
A11 Vitamins	3,660	7.97	4,168	8.09	4,499	8.21	4,955	8.20	5,509	8.39
N02 Analgesics	2,993	6.52	3,227	6.27	3,521	6.43	3,862	6.39	4,154	6.33
V06 General Nutrients	3,335	7.27	3,473	6.75	3,267	5.97	3,994	6.61	3,821	5.82
R05 Cough & Cold Preparations	3,020	6.58	3,521	6.84	3,370	6.15	3,351	5.54	3,709	5.65
C08 Calcium Antagonists	1,774	3.87	1,994	3.87	2,167	3.96	2,384	3.94	2,655	4.04
R03 Anti-asthma & COPD Prod	1,604	3.50	1,905	3.70	2,157	3.94	2,332	3.86	2,464	3.75
C09 Renin-Angioten Syst Agent	776	1.69	1,049	2.04	1,370	2.50	1,748	2.89	2,232	3.40
A10 Drugs used in diabetes	821	1.79	1,077	2.09	1,218	2.22	1,564	2.59	1,934	2.95
M01 Antirheumatic System	1,130	2.46	1,320	2.56	1,490	2.72	1,644	2.72	1,899	2.89
* Others *	18,073	39.37	20,413	39.64	22,311	40.73	24,736	40.92	26,733	40.70

Source: IMS

TABLE 29 : BREAKDOWN OF DRUGSTORE MARKET BY THERAPEUTIC CLASS LEVEL 1

	1998		1999		2000		2001		2002	
	P (Million)	% Share	P (Million)	% Share	P (Million)	% Share	P (Million)	% Share	P (Million)	% Share
TOTAL DRUGSTORE MARKET	39,908	100	45,306	100	48,555	100	53,261	100	57,759	100
A Alimentary T. & Metabolism	7,615	19.08	8,690	19.18	9,721	20.02	10,747	20.18	11,803	20.43
J Systemic Anti-Infectives	7,880	19.75	8,722	19.25	8,674	17.86	8,874	16.66	9,246	16.01
C Cardiovascular System	4,435	11.11	5,228	11.54	6,127	12.62	7,098	13.33	8,241	14.27
R Respiratory System	5,219	13.08	6,199	13.68	6,381	13.14	6,673	12.53	7,349	12.72
N Central Nervous System	3,777	9.46	4,206	9.28	4,672	9.62	5,155	9.68	5,677	9.83
V Various	3,633	9.10	3,913	8.64	3,666	7.55	4,181	7.85	4,029	6.98
D Musculo-Skeletal System	2,111	5.29	2,129	4.70	2,220	4.57	2,382	4.47	2,441	4.23
M Dermatologicals	1,502	3.76	1,726	3.81	1,876	3.86	2,112	3.97	2,378	4.12
G G.U.System & Sex Hormones	1,078	2.70	1,264	2.79	1,469	3.03	1,690	3.17	1,928	3.34
B Blood & Blood-forming Organs	703	1.76	868	1.92	1,020	2.10	1,284	2.41	1,564	2.71
L Antineoplastic & Immunomodulating Agents	188	0.47	515	1.14	612	1.26	826	1.55	987	1.71
H Systemic Hormones	660	1.65	735	1.62	795	1.64	869	1.63	914	1.58
S Sensory Organs	598	1.50	565	1.25	771	1.59	676	1.27	798	1.38
P Hospital Solutions	194	0.49	206	0.45	237	0.49	230	0.43	201	0.35
K Parasitology	285	0.72	316	0.70	292	0.60	422	0.79	168	0.29
T Diagnostic Agents	28	0.07	25	0.06	22	0.05	43	0.08	36	0.06

Source: IMS

TABLE 30 : BREAKDOWN OF DRUGSTORE MARKET BY THERAPEUTIC CLASS LEVEL 2

	1998		1999		2000		2001		2002	
	P(Million)	% Share	P(Million)	% Share	P(Million)	% Share	P(Million)	% Share	P(Million)	% Share
TOTAL DRUGSTORE MARKET	39,908	100	45,306	100	48,555	100	53,261	100	57,759	100
J01 Antibiotics Systemic	6,672	16.72	7,122	15.72	7,094	14.61	7,350	13.80	7,750	13.42
A11 Vitamins	3,582	8.97	4,078	9.00	4,418	9.10	4,868	9.14	5,424	9.39
N02 Analgesics	2,801	7.02	2,997	6.62	3,296	6.79	3,612	6.78	3,870	6.70
V06 General Nutrients	3,263	8.18	3,394	7.49	3,202	6.59	3,883	7.29	3,704	6.41
R05 Cough & Cold Preparations	2,919	7.31	3,413	7.53	3,279	6.75	3,262	6.13	3,610	6.25
C08 Calcium Antagonists	1,588	3.98	1,779	3.93	1,980	4.08	2,169	4.07	2,400	4.16
R03 Anti-asthma & COPD Prod	1,432	3.59	1,686	3.72	1,961	4.04	2,070	3.89	2,191	3.79
C09 Renin-Angioten Syst Agent	726	1.82	978	2.16	1,289	2.65	1,656	3.11	2,124	3.68
A10 Drugs used in diabetes	770	1.93	1,003	2.21	1,144	2.36	1,481	2.78	1,835	3.18
M01 Antirheumatic System	1,052	2.64	1,224	2.70	1,386	2.85	1,540	2.89	1,764	3.05
* Others *	15,103	37.84	17,631	38.92	19,506	40.18	21,370	40.12	23,087	39.97

Source: IMS

TABLE 31 : BREAKDOWN OF HOSPITAL MARKET BY THERAPEUTIC CLASS LEVEL 1

	1998		1999		2000		2001		2002	
	P(Million)	% Share	P(Million)	% Share	P(Million)	% Share	P(Million)	% Share	P(Million)	% Share
TOTAL HOSPITAL MARKET	5,987	100.00	6,190	100.00	6,216	100.00	7,190	100.00	7,912	100.00
J Systemic Anti-infectives	2,286	38.19	2,451	39.59	2,515	40.45	2,836	39.44	3,107	39.27
N Central Nervous System	617	10.30	739	11.95	721	11.61	800	11.12	898	11.35
C Cardiovascular System	521	8.70	608	9.81	602	9.69	696	9.68	846	10.69
A Alimentary T. & Metabolism	488	8.15	538	8.68	527	8.48	635	8.83	679	8.58
K Hospital Solutions	693	11.57	511	8.26	530	8.52	582	8.10	590	7.45
R Respiratory System	345	5.77	403	6.50	363	5.83	446	6.20	469	5.93
B Blood & Blood-forming Organs	208	3.48	180	2.91	186	2.99	239	3.33	260	3.28
L Antineoplastic & Immunomodulating Agents	112	1.87	113	1.82	149	2.40	237	3.29	251	3.17
M Musculo-Skeletal System	118	1.98	143	2.30	146	2.35	148	2.06	197	2.49
H Systemic Hormones	106	1.77	108	1.75	124	2.00	128	1.78	147	1.85
V Various	209	3.50	135	2.18	90	1.45	142	1.98	146	1.85
G G.U.System & Sex Hormones	96	1.60	83	1.34	76	1.23	89	1.24	97	1.22
T Diagnostic Agents	65	1.08	61	0.98	54	0.87	80	1.11	79	1.00
D Dermatologicals	70	1.18	63	1.01	66	1.06	64	0.89	71	0.90
S Sensory Organs	43	0.71	47	0.76	56	0.90	61	0.85	67	0.85
P Parasitology	9	0.15	9	0.14	10	0.17	7	0.10	7	0.09

Source: IMS

TABLE 32 : BREAKDOWN OF HOSPITAL MARKET BY THERAPEUTIC CLASS LEVEL 2

	1998		1999		2000		2001		2002	
	P(Million)	% Share	P(Million)	% Share	P(Million)	% Share	P(Million)	% Share	P(Million)	% Share
TOTAL HOSPITAL MARKET	5,987	100	6,190	100	6,216	100	7,190	100	79,117	100
J01 Antibiotics Systemic	2,036	34.01	2,227	35.99	2,307	37.12	2,531	35.20	28,093	35.51
K01 Intravenous Solutions	611	10.20	438	7.08	481	7.74	540	7.51	5,439	6.88
N01 Anaesthetics	245	4.09	288	4.66	284	4.58	328	4.57	3,635	4.59
A02 A-Acid A-Flat A-Ulcerants	221	3.70	242	3.91	243	3.91	314	4.37	3,365	4.25
N02 Analgesics	192	3.21	230	3.72	225	3.62	250	3.48	2,841	3.59
R03 Anti-Asthma & COPD Prod	172	2.88	220	3.55	195	3.14	261	3.64	2,725	3.44
C08 Calcium Antagonists	187	3.12	214	3.46	187	3.02	214	2.98	2,550	3.22
C01 Cardiac Therapy	155	2.59	161	2.60	162	2.61	179	2.49	2,204	2.79
L01 Cytostatics	59	0.99	58	0.93	75	1.21	123	1.71	1,653	2.09
J06 Sera & Gammaglobulin	66	1.10	57	0.92	56	0.90	148	2.06	1,540	1.95
* Others *	2,043	34.11	2,055	33.18	2,000	32.15	2,301	31.99	25,072	31.69

Source: IMS

TABLE 33: SALES OF TOP 20 CORPORATE GROUPS (P MILLION)

2002 RANK	CORPORATE GROUPS	1998		1999		2000		2001		2002	
		P(Million)	% Share	P(Million)	% Share	P(Million)	% Share	P(Million)	% Share	P(Million)	% Share
	TOTAL MARKET	45,895	100	51,496	100	54,772	100	60,451	100	65,670	100
1	United Lab	9,348	20.37	9,298	18.06	10,048	18.34	10,617	17.56	12,264	18.68
2	Glaxo Smithkline	4,799	10.46	5,203	10.10	5,763	10.52	6,429	10.64	6,618	10.08
3	Pfizer Inc	2,842	6.19	2,974	5.77	3,470	6.34	3,741	6.19	4,325	6.59
4	Wyeth Philippines	2,378	5.18	2,963	5.75	2,764	5.05	3,166	5.24	3,589	5.47
5	AstraZeneca	1,900	4.14	2,338	4.54	2,754	5.03	2,780	4.60	3,125	4.76
6	Bristol-Myers Sqb	2,153	4.69	2,709	5.26	2,763	5.04	2,971	4.91	3,059	4.66
7	Novartis	1,656	3.61	1,830	3.55	1,784	3.26	2,021	3.34	2,279	3.47
8	Abbott Lab	1,732	3.77	1,765	3.43	1,664	3.04	1,982	3.28	2,145	3.27
9	Roche Philippines	1,480	3.22	1,795	3.49	2,113	3.86	2,073	3.43	2,074	3.16
10	Boe. Ingelheim	1,299	2.83	1,551	3.01	1,534	2.80	1,765	2.92	2,011	3.06
11	Sanofi-Synthelabo	806	1.76	961	1.87	1,130	2.06	1,426	2.36	1,744	2.66
12	Pharmacia Phil Inc	971	2.12	1,156	2.25	1,341	2.45	1,457	2.41	1,534	2.34
13	Eli Lilly	722	1.57	1,033	2.01	1,173	2.14	1,329	2.20	1,304	1.99
14	Merck Sharp & Dohme	723	1.57	877	1.70	1,063	1.94	1,032	1.71	1,299	1.98
15	Aventis Pharma	1,112	2.42	1,229	2.39	1,164	2.13	1,222	2.02	1,286	1.96
16	Johnson	826	1.80	986	1.91	1,035	1.89	1,209	2.00	1,259	1.92
17	Bayer Pharm	725	1.58	979	1.90	1,112	2.03	1,185	1.96	1,193	1.82
18	Schering Plough	798	1.74	999	1.94	1,108	2.02	1,151	1.90	1,184	1.80
19	Pascual Labs	468	1.02	782	1.52	858	1.57	810	1.34	1,051	1.60
20	Zuellig Pharma Corp	771	1.68	770	1.49	792	1.45	880	1.46	905	1.38
	SUB-TOTAL	37,508	81.72	42,196	81.94	45,432	82.96	49,243	81.47	54,249	82.65

Source: IMS

TABLE 34 : POSITION OF 10 LEADING CORPORATE GROUPS IN TOTAL MARKET

CORPORATIONS	1998	1999	2000	2001	2002
United Lab	1	1	1	1	1
Glaxo Smithkline	2	2	2	2	2
Pfizer Inc	3	3	3	3	3
Wyeth Philippines	4	4	4	4	4
AstraZeneca	6	6	6	6	5
Bristol-Myers Sqb	5	5	5	5	6
Novartis	8	7	8	8	7
Abbott Lab	7	9	9	9	8
Roche Philippines	9	8	7	7	9
Boe. Ingelheim	10	10	10	10	10

Source: IMS

TABLE 35 : POSITION OF 20 LEADING PRODUCTS IN TOTAL MARKET

		LAUNCHED	1996	1997	1998	1999	2000	2001	2002
Ventolin	GWC	131900	1	2	1	1	1	1	1
Alaxan	TPM	131900	2	1	2	2	2	2	2
Norvasc	PFZ	031992	56	26	18	11	12	4	3
Enervon C	UNA	131900	3	4	5	3	3	3	4
Augmentin	SB-	111987	6	7	4	4	5	5	5
Plendil ER	AZN	041989	15	13	9	6	4	6	6
Ceelin	PED	131900	33	22	20	16	10	8	7
Neozep	.MY	131900	13	5	6	8	8	9	8
Lipitor	PFZ	091997	-	209	68	45	18	10	9
Biogesic	BIM	131900	10	3	3	5	6	7	10
Solmux	WMT	081980	44	21	25	35	19	15	11
Ciprobay	BAY	101986	19	17	13	12	11	11	12
Clusivol	WHH	131900	29	38	23	19	14	14	13
Ponstan	PFZ	131900	5	6	7	7	9	12	14
Zinnat	D.K	051992	93	59	31	25	17	17	15
Zinacef	GWC	072980	8	14	15	15	13	13	16
Tuseran	MEH	131900	17	47	45	10	16	18	17
Diamicon	SVR	061976	18	19	22	18	31	20	18
Revicon Forte	.MY	131900	35	11	14	39	30	25	19
Zantac	GWC	041983	16	15	16	24	15	16	20

*131900 - Product launch date unknown

Source: IMS

TABLE 36: CPI AND DPI

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
TOTAL MARKET	109	128	154	173	188	201	209	219	239	272	289	303	323	337
BRANDED	110	128	154	173	188	202	209	219	240	274	291	305	325	338
UNBRANDED	103	122	142	163	178	190	198	204	213	235	246	251	276	283
CPI	112	128	152	166	178	194	210	228	239	261	278	290	308	317

Source: IMS

TABLE 37: TOP COUNTRIES OF ORIGINS OF IMPORTS OF PHARMACEUTICALS, 2002

Country	FOB Value (US\$+000)	% Share
Total	364,437,520	100%
Germany	38,780,691	10.64%
Switzerland	35,138,158	9.64%
United Kingdom	32,952,129	9.04%
France	31,881,208	8.75%
United States	25,322,291	6.95%
Singapore	24,375,744	6.69%
Australia	22,750,690	6.24%
India	18,282,663	5.02%
Italy	16,107,291	4.42%
Sweden	14,327,168	3.93%
Japan	11,942,039	3.28%
Belgium	10,331,348	2.83%
Netherlands	10,247,800	2.81%
Thailand	9,372,427	2.57%
China	8,750,552	2.40%
Ireland	8,033,190	2.20%
Austria	6,039,893	1.66%
Korea	5,455,541	1.50%
Hong Kong	5,382,433	1.48%
Spain	5,077,844	1.39%
Others	23,886,420	6.55%

Source: Foreign Trade Statistics of the Philippines

TABLE 38 : LARGEST PHARMACEUTICAL MARKETS WORLDWIDE 2000-2001

Country	2000			2001		
	Rank	USD	Growth	Rank	USD	Growth
USA *	1	150,977	15	1	180,038	0.19
Japan	2	57,823	8	2	5,3507	-0.07
Germany	3	16,869	-11	3	17,824	0.06
France	4	16,756	-6	4	17,397	0.04
Italy	6	10,964	-3	5	11,944	0.09
UK	5	11,131	1	6	11,761	0.06
Spain	10	7,201	9	7	7,502	0.04
Canada	9	6,276	14	8	6,930	0.1
Mexico	11	6,032	22	9	6,856	0.14
China	7	5,025	-19	10	5,657	0.13
Brazil	8	6,692	7	11	5,381	-0.2
South Korea	13	3,823	-2	12	3,779	-0.01
Argentina	12	3,725	0	13	3,635	-0.02
India	14	3,596	4	14	3,612	0
Australia	15	3,156	0	15	3,197	0.01
Poland	18	2,526	12	16	2,909	0.15
Netherlands	17	2,584	4	17	2,746	0.06
Turkey	16	3,095	11	18	2,706	-0.13
Belgium	19	2,508	-7	19	2,566	0.02
Taiwan	20	2,489	22	20	2,562	0.03
Sweden	21	2,108	0	21	1,994	-0.05
Switzerland	22	1,761	-3	22	1,912	0.09
Portugal	23	1,692	-6	23	1,783	0.05
Venezuela	25	1,475	16	24	1,745	0.18
Puerto Rico	26	1,462	3	25	1,675	0.15
Austria	24	1,650	-7	26	1,659	0.01
Greece	27	1,403	-1	27	1,615	0.15
Saudi Arabia	29	1,247	9	28	1,414	0.13
Iran	n/a	1,022	0.03	29	1,397	0.37
Russia	31	1,070	7	30	1,337	0.25
Colombia	28	1,146	-15	31	1,211	0.06
Finland	33	986	-5	32	1,073	0.09
Philippines	30	1,118	-4	33	1,061	-0.05
Indonesia	34	967	20	34	1,026	0.06
Denmark	37	878	-5	35	926	0.05
Hungary	39	776	-5	36	910	0.17
South Africa	32	1,012	6	37	894	-0.12
Egypt	35	934	0	38	886	-0.05
Norway	38	790	-3	39	863	0.09
Pakistan	36	904	0.01	40	844	-0.07

* USA Market Estimates include audited US Mail Order data

Source: IMS

TABLE 39: SOUTHEAST ASIA PHARMA MARKET, US\$MILLIONS

Country	1997	1998	1999	2000	2001
Korea	3,284	2,463	3,152	3,822	3,778
Taiwan	1,916	1,849	2,195	2,486	2,563
Philippines	1,247	1,012	1,183	1,118	1,062
Indonesia	1,156	439	811	986	1,025
Thailand	923	586	743	772	780
Hong Kong	344	374	386	402	425
Malaysia	301	227	269	302	308
Singapore	208	185	217	243	241
TOTAL	9,379	7,135	8,956	10,131	10,182

Source: IMS

appendix 3

philippine drug development, evaluation and approval process

SUBJECT		CLINICAL PHARMACOLOGICAL STUDIES						
I. STAGE/PHASE	PRE-CLINICAL TESTING	PHASE I	PHASE II	PHASE III	PHASE IV	BFAD EVALUATION AND APPROVAL FOR GENERAL USE	RENEWAL OR DELISTING	
A. TIME REQUIRED	1-2 yrs.	TOLERANCE STUDIES - 1 year	EFFICACY STUDIES - 2 years	CLINICAL TRIAL - 3 years	MONITORED RELEASE - 3 years			
B. TEST POPULATION	LABORATORY ANIMAL STUDIES	20-80 PATIENT VOLUNTEERS	100 d 300 PATIENT VOLUNTEERS	1000 d 3000 PATIENT VOLUNTEERS	APPROX 5000 PATIENTS	DOCUMENTS, PRODUCT SAMPLES		
C. PURPOSE	ASSESS SAFETY AND BIOLOGICAL ACTIVITY IN ANIMALS	TOLERANCE AND SAFETY IN HUMANS	EFFICACY AND TENTATIVE DOSE IN PATIENTS	DOSE, EFFICACY, TOXICITY, AND SIDE EFFECTS IN PATIENTS	MONITORED USE IN PATIENTS	ASSESS PHARMACOLOGICAL DATA, IDENTITY, PURITY, POTENCY, QUALITY, BIO AVAILABILITY OF SAMPLE, AND SHELF LIFE	COUNTINUED ROUTINE POST MARKETING SURVEILLANCE	
II. REQUIREMENTS FOR REGISTRATION VARIOUS CATEGORIES (A.O.67 S 1989)								
A. New Chemical								
B. Significant Pharmacological or Pharmaceutical Innovations								
C. Drugs Tried and Tested Abroad (5000 patients - yrs. or 5 yrs. Experience)				Determine Dose for Filipinos		1-2 yrs.		
D. Copies of Established/Registered Drugs/Formulation						1-2 yrs.		
1. Single Active						1/4-1 yr.		
2. Multiple Active						1/4-1 yr.		
E. Donations						1/12-1/4 yr.		
F. Products for Special Restricted Use						ASAP		
III. MEMO OF EXTENSION OF REGISTRATION (MOE) WHILE WAITING RENEWAL						ASAP		
IV. DELISTING OF TOXIC PRODUCTS OR IRRATIONAL FOR COMBINATIONS							AO 66 s 1990 For Banned Drugs; AO 96 s for FDO's	

Legend: AND - Application for Investigational New Drug
 AMR - Application for Monitored Release
 AGU - Application for General Use
 ARR - Application for Renewal of Registration

Source: BFAD