

World Health Days – September 2014

<p>World Alzheimer's Day 21 September 2014</p>	
<p>World Heart Day 29 September 2014</p>	

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Happy Independence Day!

This is the month that our beloved country celebrates its Independence Day. I hope this year's Independence Day will bring the pharma industry some degree of respite from the price restrictions that have been hampering the growth of the industry for the past many years. It is not only the need of the industry but the need of the country to have a transparent and rational drug pricing policy, which will ultimately be beneficial in the long run.



Historically, Sanofi Pakistan has been a particularly active member of the Pharma Bureau, participating and leading various aspects of its activities. I intend to continue in the spirit of my predecessor and am committed to supporting the Pharma Bureau in its role as custodian of our collective interest to provide quality medicines to the people of Pakistan.

Many of us have been shuttling back and forth to Islamabad along with Ayesha Tammy Haq. I sincerely hope our continued and regular engagement with all stakeholders will result in an equitable solution to our collective woes.

There is strength in numbers and in unity. We all have common goals and objectives and must maintain active participation in the Pharma Bureau in order to pool our collective experience and wisdom together for the most effective implementation of industry strategies to shape a strong future for the pharma industry in Pakistan.

Ayub. A. Siddiqui
GM & MD
Sanofi Pakistan

Inflation Update

	% Increase vs. Same Month Last Year						
	2014	2013	2012	2011	2010	2009	2008
Jan	7.90%	8.10%	10.10%	13.91%	11.32%		
Feb	7.90%	7.40%	11.05%	12.85%	10.22%		
Mar	8.50%	6.60%	10.80%	13.16%	12.91%	19.07%	
Apr	9.20%	5.80%	11.27%	12.50%	13.26%	17.19%	
May	8.30%	5.10%	12.30%	13.23%	13.07%	14.39%	
Jun	8.20%	5.90%	11.30%	13.13%	12.69%	13.13%	
Jul	7.90%	8.30%	9.60%	13.77%	12.34%	11.17%	BASE YEAR
Aug		8.50%	9.10%	11.56%	12.79%	9.06%	
Sep		7.40%	8.80%	10.46%	14.89%	8.38%	
Oct		9.10%	7.70%	10.96%	15.33%	7.54%	
Nov		10.90%	6.90%	10.19%	14.96%	9.31%	
Dec		9.20%	7.90%	9.75%	15.45%	8.77%	

	% Increase vs. Previous Month						
	2014	2013	2012	2011	2010	2009	2008
Jan	0.50%	1.70%	1.54%	1.30%	2.42%	-0.42%	1.91%
Feb	-0.30%	-0.30%	0.30%	-0.74%	0.39%	0.95%	0.49%
Mar	1.00%	0.40%	1.20%	1.48%	1.25%	1.37%	3.08%
Apr	1.70%	1.10%	1.80%	1.40%	1.73%	1.41%	3.04%
May	0.30%	0.50%	1.10%	0.23%	0.06%	0.23%	2.69%
Jun	0.60%	0.70%	0.04%	0.55%	0.65%	0.99%	2.10%
Jul	1.70%	2.00%	0.20%	1.80%	1.23%	1.54%	3.34%
Aug		1.20%	0.90%	1.40%	2.51%	1.70%	2.14%
Sep		-0.30%	0.80%	1.03%	2.65%	0.45%	0.97%
Oct		2.00%	1.40%	1.44%	0.62%	0.95%	2.12%
Nov		1.30%	-0.40%	0.29%	1.52%	1.39%	-0.12%
Dec		-1.30%	0.20%	-0.70%	-0.51%	-0.49%	-0.50%

CPI Inflation increased by 7.90% on a yearly basis for July 2014 as compared to 8.30% for July 2013. On month-on-month basis, it increased by 1.7% in July 2014 as compared to an increase of 0.6% in the previous month and increase of 2.0% in June 2013.

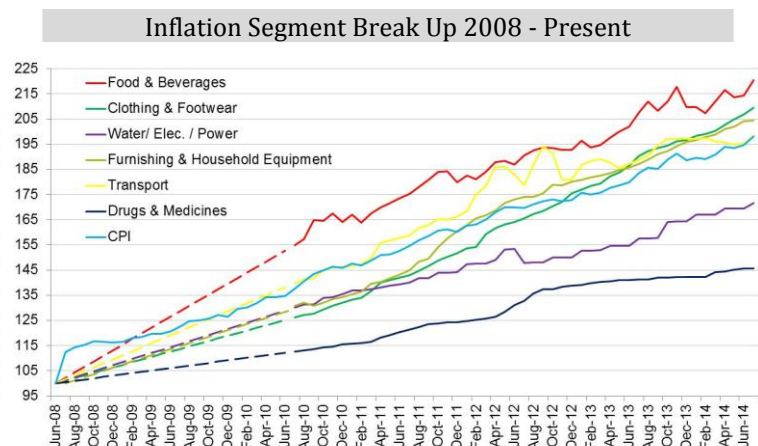
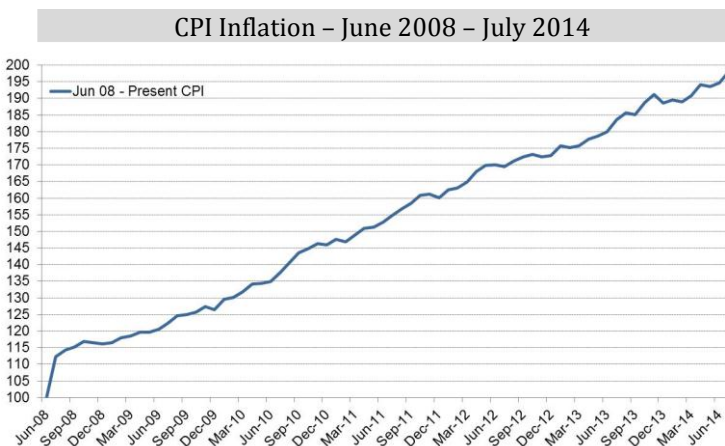
The CPI index increased by 3.31 points a 1.7% increase to the previous month. The CPI index stands at 198.05 for the month of July 2014.

Major contributors for July 2014 were:

- Tomatoes: 43.7%
- Motor Vehicle Tax: 36.7%
- Cigarettes: 2.5%
- Sugar: 3.1%
- Motor Fuel: 2.0%
- Marriage Hall Charges: 1.5%
- Fresh Fruits: 15.2%

Looking at the various segments of the CPI, Food & Beverages segment increased significantly by 2.8% owing to increase in vegetables, fresh fruits and sugar in July 2014. Housing, Water, Electricity, Gas & Fuel, Education, Restaurants & Hotels all recorded significant increases in their segments.

Health, which includes Medicines, Doctor Clinic Fee, Medical Equipments and Medical Tests, remained relatively flat and increased by 0.4% – main contributors within Health being Doctors Clinic Fees (MBBS) increase of 0.8% and Medical Tests increase of 0.6%.

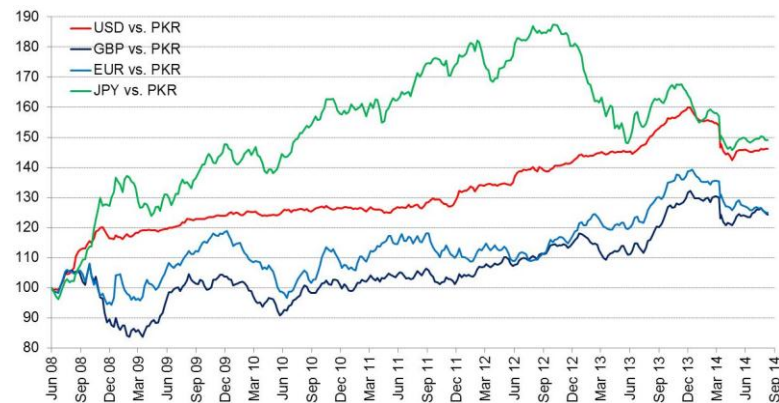


FX Update

PKR. vs. IND against USD Jun 08 - Present



PKR. vs. Core Currencies Evolution Jun 08 - Present



	12 Aug 2014	12 Jul 2014	12 Aug 2013	MoM%	YoY%
PKR vs.					
USD	98.7	98.6	102.0	0.10%	-3.24%
GBP	165.6	169.1	156.0	-2.07%	6.15%
EUR	132.3	134.6	135.6	-1.71%	-2.43%
JPY	0.966	0.971	1.046	-0.51%	-7.65%

For the month of July, the Pakistani Rupee remained on the same levels with respect to the USD. However since the start of this week, there has been a marked decrease in the value of the Pakistani Rupee versus the USD with the exchange rate in the open market nearly touching 100. This comes amid political uncertainty leading up to the Independence Day, seeing a flight of currency. Similarly \$147 million payment to the IMF and debt servicing of \$100 million for oil were major factors as well.

The PKR did however consolidate against the GBP, EUR and JPY over this time period.

During the month of Ramazan, remittances sharply increased in Pakistan that led to a total collection of approximately \$2 billion.

Each year \$300 to \$500 million is additionally remitted during Ramazan, mainly on account of zakaat, donations and higher expenses in the holy month and during Eid.

Pharma Bureau News

PB Representation at the DRAP – July 2014

The Pharma Bureau actively engaged with the DRAP and attended the following meetings:

- 18 July Meeting on SOP for Export Issues with DG (Health Regulations)
- 22nd & 23rd July Drug Registration Board 244th meeting
- 24th July Meeting on Contract Manufacturing Policy with DG (Health Regulations)
- 24th July Meeting on Delegation of Power with DG (Health Regulations)
- 25th July Meeting with Minister regarding Independence Month Celebrations.

A delegation of the Pharma Bureau led by the Chairman met with the Secretary in Islamabad on the 8th of July 2014. This was a candid meeting where by the Pharma Bureau delegation updated the Secretary of the issues faced by the industry.

PB Members Meeting – 15 July 2014

On 15th of July 2014, the Pharma Bureau held its Members Meeting. The members discussed the strategy to move forward and engage with the relevant stakeholders. The Chairman and the Executive Director briefed members on the various meetings held with the DRAP in various capacities.

It was agreed amongst members that the Pharma Bureau would continue in its efforts to engage with the DRAP to work towards getting a transparent pricing policy.

PB Ethics Committee Meeting – 22 July 2014

On 22nd of July 2014, the Pharma Bureau held its third Ethics Committee Meeting. The meeting was chaired by the Ethics Committee Chairman Kazim Hasnain. The committee talked of ways to promote ethical marketing practices amongst companies in Pakistan, assist in resolution of disputes between member companies and to change the negative public impression of the pharmaceutical industry in Pakistan amongst others.

During the meeting Kazim Hasnain went over the various presentations made by committee members. The committee is currently in the process of coming up with guideline of principles for members of the Pharma Bureau on matters of HCOs.

The committee is currently meeting on a monthly basis.

Members News

Abbott Organizes “All 4 Kidz” Education Program About Effective Management of Children’s Health

LAHORE, April 21, 2014 — Authorities in the fields of pediatrics gathered yesterday in Lahore to speak about the common health issues in children and ways to effectively manage them. More than 500 people including healthcare practitioners, parents and children attended the “All 4 Kidz” Awareness Program organized by healthcare company Abbott. The program highlighted the issue of high fever and diarrhea in children; acute respiratory tract infections (ARI); risks of domestic injuries and poisoning; and the recognition and management of epilepsy in children.



Industry in the News

The positive side of India-Pakistan pharma trade | Business Recorder

According to the economic think tank, Indian Council for Research on International Economic Relations (ICRIER), there is an untapped trade potential of USD1.6 billion between India and Pakistan. Exploring this untapped potential can lead to boosting the trade and competitiveness of the two countries, a recent study done by ICRIER pointed out.

Research and development remains at the core of a pharmaceutical sectors competitiveness. The study highlights that India spends nearly 6-8 percent of its revenues on research and development while the 30 leading Indian pharmaceutical companies spend almost 20 percent of their turnover on research and development. By joining hands with India, that is considered to be a big regional player in the pharmaceutical market, Pakistan can potentially rack up the benefits of Indias growing research and development capacities and experiences.

By the same token, since the pharmaceutical market in Pakistan lacks the presence of FDA approved plants for testing purposes, access to Indian pharma market having 150 FDA approved plants could even make it possible for Pakistan to use those laboratories and even save costs. Also, with little FDI flow between the two countries, high bilateral trade can also lend a hand in boosting bilateral FDI in the long term, the study added.

While the fears and apprehensions of small pharmaceutical players are justified, trading with Indian drugs will lead to survival of best quality medicines by fuelling competition in the industry, according to ICRIER. But to make that happen, removing trade barriers including wiping out the negative Indian import list maintained by Pakistan needs to be seen in a new light.

