

World Health Days – June 2014

05 June World Environment Day	
14 June World Blood Donor Day	
19 June World Sickle Cell Day	
26 June International Day against Drug Abuse and Illicit Trafficking	

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Editorial Team

Shahab Rizvi – Chairman	shahab.rizvi@novartis.com
Arshad Saeed Husain – Co-Chairman	arshad.husain@abbott.com
Ayesha T Haq – Executive Director	ayesha.t@oicci.org
Irshad Ataka – Industry Analyst	irshad.ataka@oicci.org
Qurratulain – Accounts Officer	qurratulain@oicci.org

“Improving the Image of the Pharmaceutical Industry”

The current environment in which the pharmaceuticals operate is at a historical turning point. Globally, not only are the ethical boundaries of promotion being questioned but also greater scrutiny from Government agencies has raised issues. In Pakistan, it is imperative that we take a proactive approach to ethics and compliance to give confidence to foreign investors. Most importantly, this will ensure that we are fair to the most important stakeholder of our industry, the Patient.

What should the pharma industry do to improve perception? How can we improve our interactions with health care providers and consistently across all companies? These and many other questions still need to be addressed. This will require a series of actions rather than a single episode. We should listen to our customers and critics and take a multi-disciplinary approach to improve the image of the pharma industry in Pakistan.

I am excited to Chair the Ethics Committee of the Pharma Bureau and the team comprises of professionals from Medical, Ethics, Compliance and Finance functions. As a starting point, the mandate of the committee is to ensure compliance with global ethics guidelines, suggest marketing standards for all Pharma Bureau member companies and also resolve inter-company issues related to pharmaceutical promotion. In addition, we also aim to suggest guidelines on sponsorships to the Medical Associations to have more transparency for such payments.

We remain confident and look forward to your support in our journey. I also want to take this opportunity to thank Mr Shahab Rizvi who was my predecessor.

Look forward to hearing from the committee soon!

Kazim Hasnain

Chairman, Ethics Committee
Pharma Bureau

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		5.10%	12.30%	13.23%	13.07%	14.39%	
Jun		5.90%	11.30%	13.13%	12.69%	13.13%	BASE YEAR
Jul		8.30%	9.60%	13.77%	12.34%	11.17%	
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
	0.50%	1.70%	1.54%	1.30%	2.42%	-0.42%	1.91%
	-0.30%	-0.30%	0.30%	-0.74%	0.39%	0.95%	0.49%
	1.00%	0.40%	1.20%	1.48%	1.25%	1.37%	3.08%
	1.70%	1.10%	1.80%	1.40%	1.73%	1.41%	3.04%
		0.50%	1.10%	0.23%	0.06%	0.23%	2.69%
		0.70%	0.04%	0.55%	0.65%	0.99%	2.10%
		2.00%	0.20%	1.80%	1.23%	1.54%	3.34%
		1.20%	0.90%	1.40%	2.51%	1.70%	2.14%
		-0.30%	0.80%	1.03%	2.65%	0.45%	0.97%
		2.00%	1.40%	1.44%	0.62%	0.95%	2.12%
		1.30%	-0.40%	0.29%	1.52%	1.39%	-0.12%
		-1.30%	0.20%	-0.70%	-0.51%	-0.49%	-0.50%

CPI Inflation increased by 9.20% on a yearly basis for April 2014 as compared to 5.80% for April 2013. On month-on-month basis, it increased by 1.7% in April 2014 as compared to an increase of 1.0% in the previous month and increase of 1.1% in April 2013.

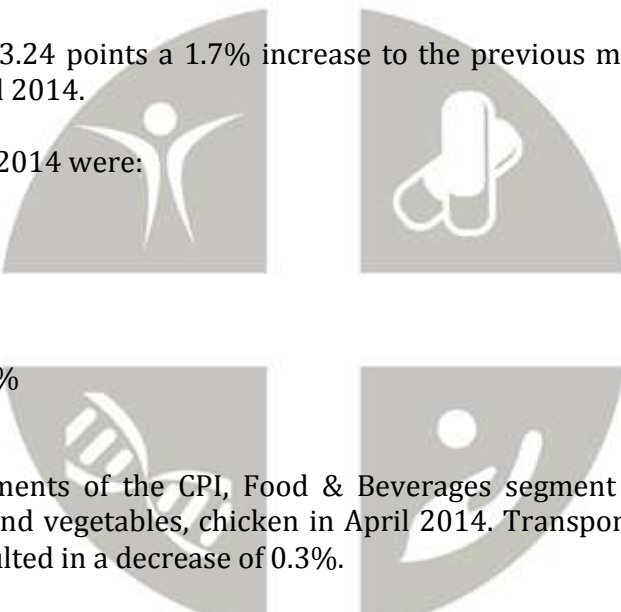
The CPI index increased by 3.24 points a 1.7% increase to the previous month. The CPI index stands at 194.06 for the month of April 2014.

Major contributors for April 2014 were:

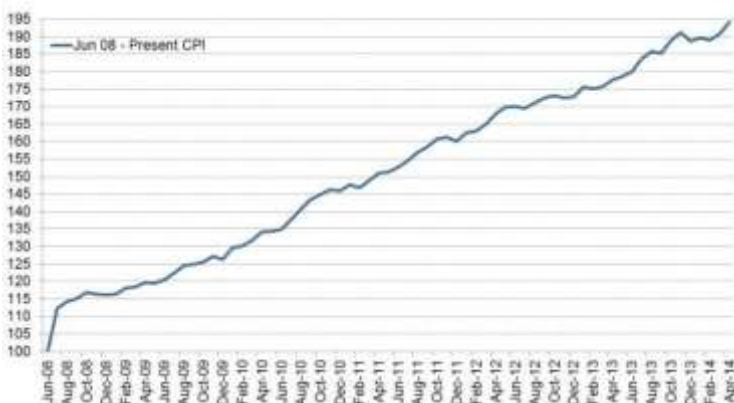
- Potatoes: 42.1%
- Fresh Fruits: 22.0%
- Education: 9.7%
- Text Books: 4.3%
- Construction Wage Rate: 1.2%
- Motor Fuel: -1.2%

Looking at the various segments of the CPI, Food & Beverages segment increased by 0.8% owing to increase in potatoes, fruits and vegetables, chicken in April 2014. Transport owing to a stronger PKR vs. USD and fall in oil prices resulted in a decrease of 0.3%.

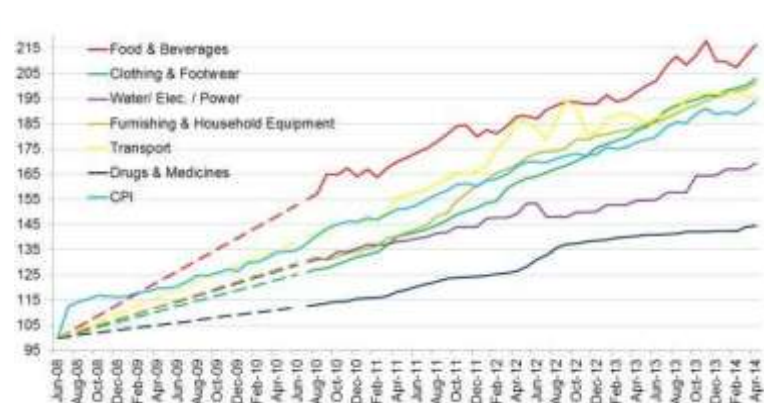
Health, which includes Medicines, Doctor Clinic Fee, Medical Equipments and Medical Tests, increased by 0.3% - main contributors within Health being Doctor (MBBS) Clinic Fee increase of 0.5% and Medical Equipments increase of 2.2%.



CPI Inflation - June 2008 - April 2014



Inflation Segment Break Up 2008 - Present



FX Update

PKR. vs. IND against USD Jun 08 - Present



PKR. vs. Core Currencies Evolution Jun 08 - Present



PKR vs.	5 May 2014	5 Apr 2014	5 May 2013	MoM%	YoY%
USD	98.3	97.9	97.9	0.41%	0.41%
GBP	166.0	162.4	151.6	2.22%	9.50%
EUR	136.3	134.2	128.0	1.56%	6.48%
JPY	0.960	0.942	0.981	1.91%	-2.14%

For the month of April, the Pakistani Rupee steadied its position. External debts are growing fast, boosting forex reserves and making the rupee strong. Pakistan has received over \$6bn in external loans so far this fiscal year, including \$2bn through Eurobonds and \$1.6bn out of a \$6.7bn IMF loan.

This thick inflow of external debt has helped the country retire old external debts; boosted forex reserves to \$11.75bn now from less than \$8bn at end-January; and led to a record rupee appreciation of about 10pc in less than five months. (The rupee closed at 98 per dollar in the interbank market on April 24, against its all-time low of 108.64 per dollar on December 3, 2013).

Last week's successful auctions of 3G and 4G boosted investment amounting to over \$1bn. How soon the rupee may lose some of its shine is debatable. But given the fact that exporters have begun feeling the pinch of the falling rupee, as admitted by the finance minister, current exchange rate levels are unlikely to hold with the Pak Rupee expected to depreciate, if not in a few months, maybe in the next few quarters.

The dollar in general remained fairly stable and traded on the lower end amid ongoing tensions in Ukraine.

Pharma Bureau News

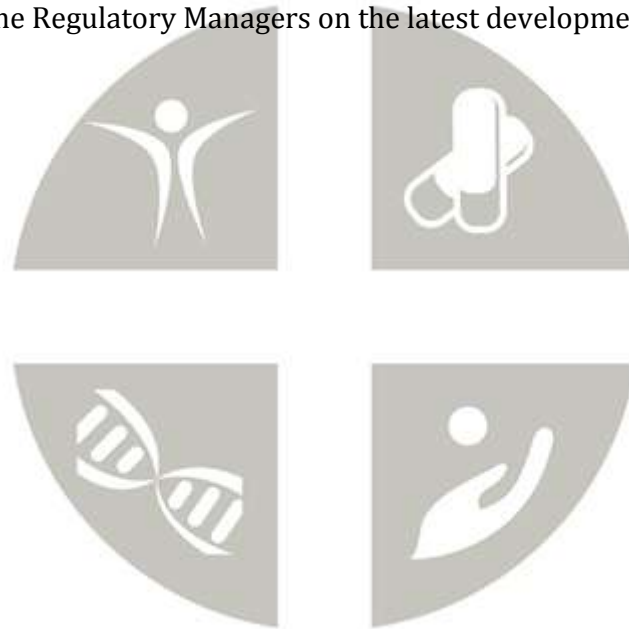
PB Meeting with the Journalists – 10 April 2014

On 10th of April 2014, The Chairman, Co-Chairman and Executive Director PB met with journalists in Karachi at the Pharma Bureau's office. The Chairman highlighted the key issues of the industry and urged the media to inform and educate the public of these.

The meeting came as a follow up to last month's meeting at the Pharma Bureau, with a more detailed session.

PB Regulatory Meeting – 21 April 2014

Pharma Bureau held its Regulatory Meeting on the 21st of April 2014 at the Pharma Bureau office. The Executive Director briefed the Regulatory Managers on the latest developments in the DRAP.



Pharma Bureau

Quality Management Systems Seminar Phase II – 30th April – 1st May 2014

Following on from the success of the QMS Seminar Phase I conducted in Lahore on 11th October 2013, the PB in collaboration with International Health Partners and Pakistan Pharma Forum organized a 2 day QMS Seminar at the Hotel Avari Lahore from the 30th of April till the 1st of May.

The workshop topics, based on the feedback from Phase I were on:

- Documentation
- Lifecycle Equipment Management
- Environment Health and Safety

Dr. Farid Khan (Head Trainer), Mariam Qaiser (GSK – UK) and Emma Hancox (International Health Partners) were the Instructors and carried out the workshop with the help of the following facilitators, nominated by our member firms:

- | | |
|--------------------|-------------|
| • Tahir Mirza | Roche |
| • Dr. Ayesha Aslam | Cheisi |
| • Khurram Ahmed | GSK |
| • Syed Abdul Azeem | NovoNordisk |
| • Zahid Saeed | Pfizer |
| • Amer Rauf | Novartis |
| • Jahanzeb Aslam | Novartis |
| • M. Idrees | Sanofi |



The workshop was a success with high levels of participation from the Drug Testing Laboratories, Central Drug Labs as well as from members of the DRAP and local manufacturers.

The Pharma Bureau would like to thank all the facilitators who helped make this seminar a success.



Industry News

Novartis-GSK asset swap offers template for pharma and beyond

The loud welcome given by investors to this week's deal for Novartis and GlaxoSmithKline to trade more than \$20 billion of assets could trigger more pacts in the pharmaceuticals sector and beyond.

Such swapping of assets is rare in any sector, yet it can make a lot of sense where companies are committed to playing to their strengths by building up certain businesses and divesting others, while avoiding the pitfalls of large-scale mergers.

Acquisition of GSK oncology products

Novartis has agreed to acquire GSK oncology products for a USD 14.5 billion payment and up to USD 1.5 billion contingent on a development milestone. Under the terms of the transaction, Novartis would have opt-in rights to GSK's current and future oncology R&D pipeline.

Divestment of Vaccines to GSK

Novartis has agreed to divest its Vaccines business to GSK, currently excluding its flu business, for USD 7.1 billion plus royalties. The USD 7.1 billion consists of USD 5.25 billion upfront and up to USD 1.8 billion in milestones. As a part of a value-maximization strategy in the context of the portfolio review, Novartis has initiated a separate sales process for its flu business.

Combination of Novartis OTC with GSK Consumer Healthcare in a joint venture

Novartis and GSK have agreed to create a world-leading consumer healthcare business through a joint venture between Novartis OTC and GSK Consumer Healthcare. Upon completion, Novartis will own a 36.5% share of the joint venture and will have four of eleven seats on the joint venture's Board. Furthermore, Novartis will have customary minority rights and exit rights at a pre-defined, market-based pricing mechanism.

Divestment of Animal Health Division to Lilly

In a separate transaction, Novartis has agreed to divest its Animal Health Division to Lilly for approximately USD 5.4 billion. This transaction is the result of a competitive process, which upon completion would create a leading animal health business under Lilly's ownership and would optimize the value of the asset in the interest of Novartis shareholders.

Pfizer signals open to hostile option for AstraZeneca

Pfizer Inc's top officials said on Monday they are weighing all strategies, including potential hostile maneuvers, in the company's effort to seal a \$106 billion takeover of British drugmaker AstraZeneca Plc.

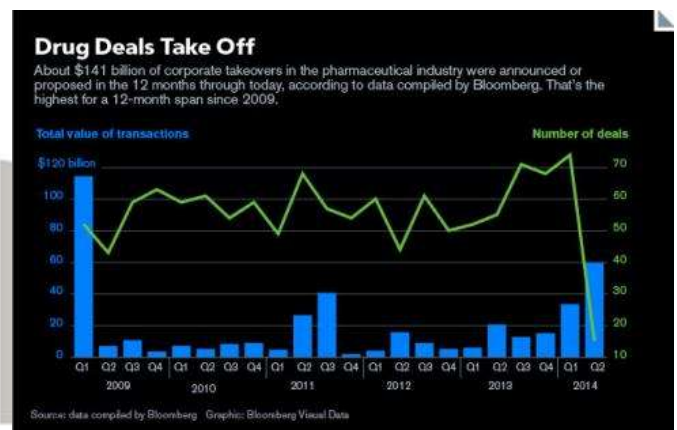
"Any option you can think of would be an option," Pfizer Chief Financial Officer Frank D'Amelio said in a telephone interview, when asked whether Pfizer might take its case directly to AstraZeneca shareholders before a May 26 deadline.

That is the date by which British takeover law requires Pfizer to either make a bid for the London-based rival or walk away, unless both companies agree to seek an extension of the deadline.

Regardless of whether the deal arises from friendly negotiations or a hostile approach, it is likely to end on good terms if successfully completed, Read said.

Pfizer on Friday raised its initial cash and stock offer from about \$99 billion to \$106 billion in its third effort to bring AstraZeneca management to the table. AstraZeneca quickly rejected the new bid, which said it significantly undervalued the company.

Read, who said he was disappointed by the company's refusal to engage, last week met with a small number of top AstraZeneca investors in Britain to hear their views on a deal.



Members News

Otsuka

Otsuka Welfare Clinic Supported by Otsuka Pharmaceuticals Company Japan and Otsuka International Asia and Arab Division (OIAA)

18 April, 2014: Otsuka Welfare Clinic, Peshawar has been providing healthcare services to Afghan refugees and local residents of surrounding areas since July 2003. This clinic has an average daily turnover of around 160 patients. Since its inauguration in 2003 till March 2014, a total number of 745,000 patients have visited this clinic to get benefit from devoted working of all the staff available at Otsuka Welfare Clinic.

In 2004 Japanese Ambassador Mr. Nobuaki Tanaka, visited the clinic and appreciated devoted efforts of the all concerned. In 2011 Japanese Ambassador Mr. Hiroshi OE extended his heartfelt congratulations during a ceremony in Islamabad in Japan Embassy and presented an award to the CEO of Otsuka Pakistan for remarkable contribution in healthcare services to humanity and welfare commitment to the society.

The clinic has completed 10 years of its services to the ailing humanity with lot of efforts by many individuals. In order to recognize contribution of these people, to mark this day a program was arranged in Marriott Hotel, Islamabad, on December 03, 2013, where His Excellency, the Ambassador of Japan, Mr. Hiroshi Inomata was the Chief Guest.

Speaking on the occasion Senior Chief Operating Officers of Otsuka International and Arab Division Mr. Daesik Eom and Mr. Meguru Kajiwara appreciated efforts of individuals and the affiliated companies of OIAA Division (24 companies) who have provided funds on humanitarian basis. These companies have contributed to OWC for last 10 years.

Mr. Imtiaz Inayat Elahi, Secretary for Ministry of National Health Services, Regulation and Coordination and Mrs. Saira Afzal Tarrar were both present at the occasion and appreciated the efforts of the clinic.



Respected Audience listening with attention



Mr. Mehboob Ali from Peshawar receiving acknowledgement certificate from the Honorable Ambassador on his relentless efforts in setting up Otsuka Welfare Clinic

Members News

GlaxoSmithKline

April: Rogerio Ribeiro, SVP & Head Emerging Markets & Asia Pacific, and Yigit Gurcay, SVP & Area Head, MENA/CIS visit to Pakistan.

In April this year, Rogerio visited Karachi, the headquarters of GSK Pakistan, Iran and Afghanistan. His first visit to HERE was to familiarize himself with the working of Pakistan's Pharmaceutical Industry and get a first-hand understanding of the country's health infrastructure and commercial operations.



During his 2 day visit, Rogerio engaged with a wide array of employees which included Senior Management, Commercial Leaders and Emerging Talent to understand the organization's cross-functional diversity. He paid visit to GSK's manufacturing facility in the SITE area and also conducted a Town Hall meeting which was attended by over 200 people from different functions of GSK.

Rogerio also visited the Jinnah Post Medical Center, Agha Khan University Hospital and National Institute of Child Health and was notably impressed by the dedication and commitment shown at these institutions, particularly in view of the limited resources available and difficult working conditions in which they operate.

