

Thailand

Strong will to improve the business environment for innovative medicines is boosting the appeal for foreign drugmaker investment

Risk and reward index

61.6 Industry Rewards | **18.9** Industry Risk | **13** Regional Rank | **59** Global Rank

Note: Scores out of 100; higher score = lower risk. Source: Fitch Solutions' Innovative Pharmaceuticals Risk/Reward Index

Key foreign players

- 1 AbbVie
- 2 AstraZeneca
- 3 GlaxoSmithKline
- 4 MSD
- 5 Johnson & Johnson
- 6 Novartis
- 7 Pfizer
- 8 Sanofi
- 9 Takeda

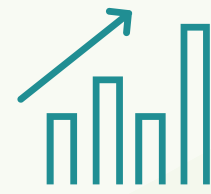
Strengths



Established **universal healthcare** scheme



Strong **private hospital sector** growth



Significant **pharmaceutical market growth** potential highly reliant on government's interest in developing the pharmaceutical sector

Challenges



Low **pharmaceutical spending** per capita



High levels of **counterfeit medicines** in the country



Use of **compulsory licenses** antagonizing multinationals



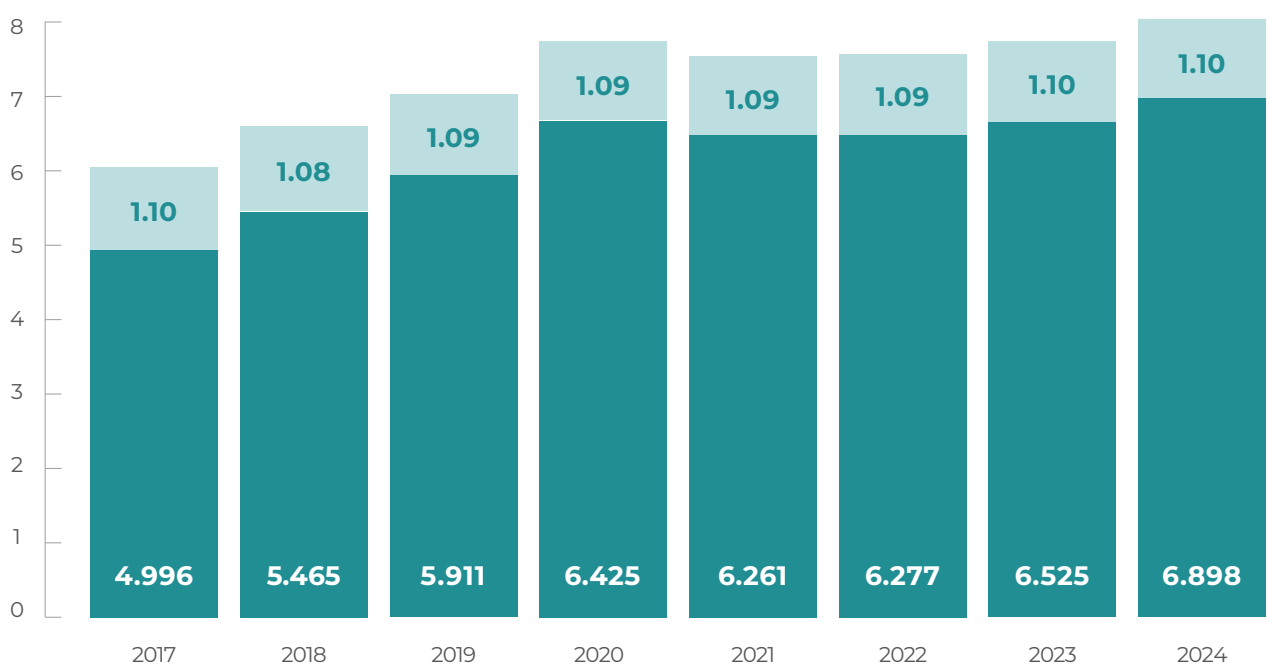
Uncertain pricing regulation and low levels of **intellectual property protection**



Public healthcare system under heavy **financial strain**

Forecast

■ Pharmaceutical sales, USDbn ■ Pharmaceutical sales, % of GDP



Source: Thailand, Pharmaceutical & Healthcare Report Q2 2019, Fitch Solutions

Regulations

The **Ministry of Public Health (MPH)** controls the Thai FDA (TFDA) which is responsible for the **regulatory body** administering drugs in the country. The **Drug Control Division** of the TFDA is responsible for **licensing, registration, inspections, surveillance** and **adverse event monitoring** for every pharmaceutical company and pharmaceuticals. The Thai drug market is **dominated by foreign pharma companies**. By 2022, the pharmaceutical market in Thailand is **predicted to double**, thanks to **trade negotiations, regional harmonization** and **positive economic trends**.

There are several versions of the **Drug Act** currently in effect, and the Thai government is working on a revised version with **updated regulations**. Under the **current laws**, pharmaceuticals are categorized as either **traditional or modern medicines**, with different applications and oversight. Modern medicines are subdivided into three categories, each of which has **separate registration requirements**. Licenses currently do **not require renewal**.