Thailand

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

### Risk and reward index

<table>
<thead>
<tr>
<th>Industry Rewards</th>
<th>18.9</th>
<th>Industry Risk</th>
<th>13</th>
<th>Regional Rank</th>
<th>58</th>
<th>Global Rank</th>
</tr>
</thead>
</table>

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. ClassSmithKline
4. MSD
5. Johnson & Johnson
6. Novartis
7. Pfizer
8. Sanofi
9. Takeda
10. J不服

### Opportunities

- Established universal healthcare scheme
- Strong private hospital sector growth
- Significant pharmaceutical market growth potential

### Challenges

- Use of compulsory licences antagonizing multinationals
- Low pharmaceutical spending per capita
- Uncertain pricing regulation and low levels of intellectual property protection
- High levels of counterfeit medicines in the country
- Public healthcare system under heavy financial strain

### Forecast

<table>
<thead>
<tr>
<th>Year</th>
<th>Pharmaceutical sales, USDbn</th>
<th>Pharmaceutical sales, % of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>4.465</td>
<td>6.831</td>
</tr>
<tr>
<td>2017</td>
<td>4.562</td>
<td>6.455</td>
</tr>
<tr>
<td>2018</td>
<td>4.998</td>
<td>5.852</td>
</tr>
<tr>
<td>2019</td>
<td>5.468</td>
<td>5.132</td>
</tr>
<tr>
<td>2020</td>
<td>5.738</td>
<td>5.086</td>
</tr>
<tr>
<td>2021</td>
<td>6.132</td>
<td>5.071</td>
</tr>
<tr>
<td>2022</td>
<td>6.455</td>
<td>5.076</td>
</tr>
<tr>
<td>2023</td>
<td>6.831</td>
<td>5.076</td>
</tr>
</tbody>
</table>


### 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 FDA 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 pharmaceutical 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.