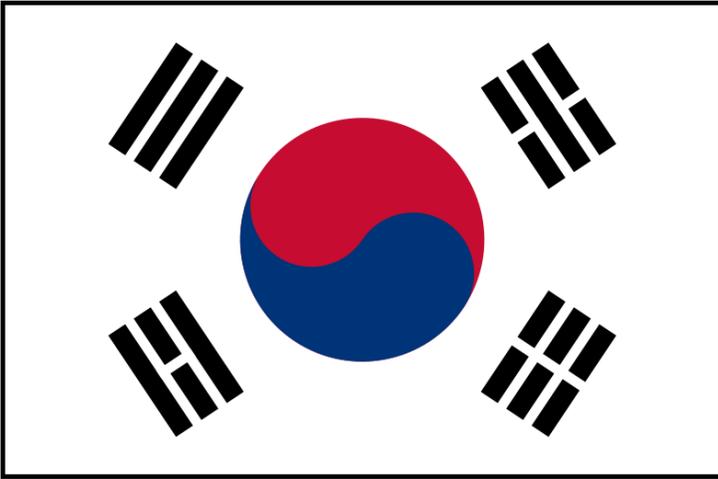


South Korean pharmaceutical market to grow slowly to \$20.4 bn by 2020

06 May 2016 | Features | By BioSpectrum Bureau

South Korean pharmaceutical market to grow slowly to \$20.4 bn by 2020



The pharmaceutical market in South Korea will rise from approximately \$18.6 billion in 2016 to \$20.4 billion in 2020, representing Compound Annual Growth Rate (CAGR) of 2.4%, as the government increasingly focuses on generics in order to reduce healthcare expenditure, according to research and consultancy firm GlobalData.

The company's latest report states that the country's generics market increased from \$3.5 billion in 2008 to around \$5.8 billion in 2015, growing at a CAGR of 7%, as the government has invested significantly in the generics market in recent years.

Many novel drugs are set to lose their patents by 2020, meaning South Korea's generics market is expected to increase significantly.

Mr Adam Dion, GlobalData's Senior Industry Analyst, says: "Overall market growth is expected to be influenced by burgeoning treatment populations and various government initiatives to encourage Research and Development (R&D) and sustain growth in the pharmaceutical industry, such as the Korean Small Business Innovation Research program."

Other government initiatives will also aid businesses, such as lifting the ban on advertisements for medical services, which has enabled hospitals to hire advertising agencies to help them attract medical tourists.

Mr Dion explains: "The Free Trade Agreement with the US, which began in March 2012, has had the effect of lowering tariffs for imports up to 80%, and nearly 95% of bilateral trade in consumer and industrial products has become duty-free for up to five years, making investment in the South Korean pharmaceutical industry easier for multinational companies."