



# PHARMACEUTICALS & API

HEALTHY LIVING FOR ALL

DISCOVER  
LIMITLESS  
OPPORTUNITIES



# ABOUT BANGLADESH

- Strategic hub in South Asia linking India, China, and ASEAN countries
- 5-year GDP growth at a CAGR of 7%, one of the fastest growing economies in the world
- 41st largest economy, poised to become the world's 25th largest economy by 2035
- 10.5% annual growth in country's middle & affluent class population, projected to reach 34 million by 2025

## ACCOLADES & CREDENTIALS

- A 'Next-11' country, Bangladesh is poised to become one of the largest economies of the 21st century, according to Goldman Sachs
- Credit rating of BB- by Standard & Poor in 2021 indicates long-term stability
- As per JETRO survey on Business Conditions of Japanese Companies, 70% of surveyed firms present in Bangladesh want further 'expansion'



# PHARMACEUTICALS & API SECTOR AT A GLANCE

Bangladesh's pharmaceutical sector contributes to

**2%**   
of GDP

With a current market size of over USD 3 billion, the PHARMACEUTICALS sector has been growing at an annual rate of 16.7% (2014 to 2019)

and is expected  
**TO EXCEED USD  
6 BILLION**  
by 2025

**Over 140  
Countries**

Import  
**BANGLADESHI**  
medicine, including  
USA, UK, AUSTRALIA,  
CANADA



Nearly

**97%**

of the domestic demand is  
met by local producers

- Branded generic drugs account for 80% of drugs produced locally
- Global market for generic drugs is projected to grow at a **CAGR of 8%** to reach **USD 578 billion by 2023**
- As much as 97.3% of APIs are imported from nations like India, China and South Korea

With a current market size of USD 730 million, **domestic API market is projected to reach 1.4 billion by 2025**



**CAPSULE SHELLS**  
and significant amount of  
packaging materials  
are **IMPORTED DUE  
TO HIGH-TECH  
PROCESSING**  
requirement

# DEMAND DRIVERS

**LARGE DOMESTIC MARKET WITH INCREASING INCOME AND HEALTH AWARENESS**



Opportunities for **FURTHER INVESTMENT**



in generic drugs since drugs worth more than \$150 billion are coming off patent by 2021 and another **USD 250 BILLION** by 2023

**Changing disease profile:** Disease patterns **RAPIDLY SHIFTING** to Non-communicable Diseases such as Cancer, Diabetes, Heart Disease etc., which requires **LONG TERM TREATMENT AND MEDICATION**



**INTERNATIONAL ACCREDITATIONS**

are on the rise for Bangladeshi Pharmaceutical companies

# GROWTH DRIVERS



**10% to 15% LOWER COST** of production than India and China



Availability of **SKILLED PROFESSIONALS** with expertise in manufacturing generic drugs



**WTO** extended patent waiver from TRIPS until 2033 which is favorable for **GENERIC DRUG PRODUCTION**

- **API production** is encouraged through attractive fiscal incentives and **export subsidies**
- National API/ Laboratory Reagents Production and Export Policy 2018 aims to attract investment worth USD 1 billion, reduce import-dependence, raise API export income and create 500,000 jobs by 2032
- **200-acre API Park** established in **Munshiganj**, close to capital Dhaka

# INCENTIVES AND POLICIES

## Fiscal Incentives-Income Tax

- Active Pharmaceuticals Ingredients (API) and laboratory reagent producers, registered in Bangladesh will enjoy 100% corporate tax holiday until 2021-22.
- After 2021-22, Active Pharmaceuticals Ingredients (API) and laboratory reagent producers, will further enjoy tax holiday (from 2023-2032) if they could produce API molecules domestically:
  - For 5 API molecules producers will get 100% tax holiday
  - For 3 API molecules producers will get 75% tax holiday.
- No AIT will be applicable for API producers on import of chemical compounds (Technical Grade/Chemically pure).
- Firms established between July 1, 2019 and June 30, 2024 are eligible or phased or partial tax exemption from 5 up to 10 years.

## Eligible Industries:

- API and radio-pharmaceuticals,
- Pharmaceuticals,
- Barrier contraceptive and rubber latex.

## Conditions:

- Paid-up capital of not less than BDT 2 million on the date of beginning of commercial production.
- 30% of the exempted has to be reinvested in the same or other industrial undertakings within one year.

## Export Cash Incentives

**20% export subsidy on exporting Active Pharmaceuticals Ingredients (API) from Bangladesh**

**10% export subsidy on exporting pharmaceuticals products**





[www.bida.gov.bd](http://www.bida.gov.bd)

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