

GlobalData: New Zealand focuses on generics

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Singapore: A new study by GlobalData has revealed that New Zealand's Pharmaceutical Management Agency's (PHARMAC) is emphasising on generics, despite the disproportionate growth in elderly population and unsaturated market leading to the healthcare industry being restrained.

The company report forecast that New Zealand's pharmaceutical market will reach \$779 million in 2020 from \$587 million in 2012, representing a compound annual growth rate (CAGR) of four percent. However, revenue would be more impressive with a greater integration of multinational pharmaceutical firms.

PHARMAC, the body responsible for selecting which medications are subsidised for use in hospitals and communities across New Zealand, operates a system based on the issue of sole-supply contracts to applicants tendering the lowest bid.

This has resulted in a pharmaceutical landscape with a significant portion of low-cost, often generic, products. However, while opening up the population's access to low-priced medicines, the strategy has alienated much of big pharma and restricted the growth of New Zealand's healthcare industry.

GlobalData expects an expanding elderly population to act as an important factor, contributing to the country's healthcare sector revenue, due to the larger amount of care they tend to require. Between 2012 and 2020, New Zealand's population is expected to increase moderately at a CAGR of 0.6 percent, from 4.4 million-to-4.6 million, but the portion of the population aged 65 and older is forecast to climb from 13.6 percent-to-16.2 percent during the same period.

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