RESEARCHES OF PHARMACEUTICAL MARKET OF LEBANON

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Market research involves collecting, recording and making sense of all the available information which will help a business unit to understand its market. Market research and analysis helps firms to plan ahead rather than to guess ahead. In business, demand is always changing and therefore it is essential to know how things are changing. Methods used in marketing research data gathering involves collecting as much information as possible about the market, usually before any further steps are taken.

The purpose of our researches is the analysis of situation at modern pharmaceutical market of Lebanon. The size of Lebanon's pharmaceuticals market is $1.28 billion in 2012, an increase of 6.4 percent from $1.2 billion in 2011. Spending on pharmaceuticals was equivalent to 2.94 percent of gross domestic product last year, which ranks Lebanon in seventh place globally behind a number of small African states where international aid is distorting pharmaceutical purchasing patterns. Forecast spending on pharmaceuticals is 2.91 percent of GDP in 2012, 2.87 percent of GDP in 2013 and 2.8 percent of GDP in 2014.

There are about 6,000 types of drugs on the local market, with 80 percent of them imported by about 50 firms from more than 508 factories in 25 countries. Domestic production represents 10 percent of the market in volume terms but less than 4 percent of the market in value terms.

The prescription medicines represented around 73 percent of total market value last year. It attributed the high share of prescription medicines to the widespread use of patented drugs, which account for 66 percent of total spending on prescription drugs, and to the relatively high prices of generic drugs.

70 percent of the Lebanese market consists of imported pharmaceuticals, and expected the market to remain almost entirely reliant on imports.

Lebanon public health sector is relatively efficient in procurement and is purchasing medicines at a reasonable price for poor patients and provide drugs free of charge for public health facilities. Unfortunately, availability in this sector is very low and far from optimal, so poor patients are forced to buy expensive medicines from private pharmacies.

In the private sector almost all the surveyed medicines are over-priced if compared with the international reference price and the prices of innovator brands are up to 5 times more expensive than the prices of their generic equivalents. Availability of medicines is very good in private sector especially for branded drugs. Medicines that are generally not available in private sector are anti-HIV drugs who are delivered to AIDS patients free of charge through an MOH Distribution Center.

Lebanon is considered a “brand name” country and innovator brands drugs are possibly used more extensively as there are no incentives to prescribe and sell generic equivalents.

The nation’s consumers are faced with the task of choosing medicines for themselves and their families in a marketplace where foreign imported medicaments and locally manufactured medicaments compete but not over the same grounds. Consumers in Lebanon are of three types: high-income consumers, middle-income consumers, and low-income or poor consumers. Lebanese consumers are remarkably self-reliant when faced with treating most common health problems, choosing to call a doctor only for the most serious or specialized health care needs. In treating themselves, they rely heavily on a variety of OTC products, viewing these medications as generally safe but not entirely risk free. Many recognize the possibility that their use of OTCs may mask a more serious health problem, and many also admit using more than the recommended amount of an OTC because they felt it necessary to effectively relieve their symptoms. Consequently, consumers rely heavily on their pharmacists’ recommendations and on labeling information when selecting and using these medicines.