NEW YORK (GBI Research), 26 June 2012 - Continuous support from the government is helping the **Brazilian pharmaceutical market** to **grow** at a compound **annual growth rate** (CAGR) of **9%**, and to make its own mark on the global industry, says a new report by healthcare experts GBI Research.

The new report* states that Brazil has a population of around 190 million, representing a gigantic audience for the pharmaceutical industry. The country is beginning to build a reputation for its high-quality clinical trials and biodiversity, and consequently Brazil is attracting foreign pharma giants, yet also looks to support local companies.

The National Health Surveillance Agency (ANVISA), under the patronage of the Ministry of Health, is the main regulatory authority in Brazil. According to ANVISA's RDC 59/00 regulation, foreign firms looking to export to Brazil must submit an inspection request through representatives or registered importers, in order to certify products. This represents a significant obstacle to smaller foreign drug makers wishing to enter the Brazilian market, and has led to partnering agreements between multinational pharmaceutical firms with local players in Brazil.

Pharmaceutical giants are also required to pay the local subsidiaries for product development and distribution, while the profits earned are shared between the two. This skillfully supports local companies, both financially and within the industry, as Brazilian pharmaceutical brands are given the opportunity to work alongside experienced players in the market.

Prominent examples of investments by global pharmaceutical players include Sanofi's acquisition of Medley Pharmaceuticals and GlaxoSmithKline's co-development deal with Oswaldo Cruz Foundation. Brazil demands that foreign corporations actively participate with local companies to create a multinational and co-operative market, in which Brazil's benefits are still appealing to foreign companies and the local economy is also supported.

Brazil additionally looks to have a promising future in the production of generic drugs. The country has witnessed a huge surge in the popularity of generic drugs throughout the past decade, and many local players such as EMS Sigma Pharma, Nature's Plus, Eurofarma, Prati-Donaduzzi, and Teuto have emerged in this pharmaceutical sector. While sales of generics accounted for 20.6% of Brazil's pharmaceutical market in 2011, this market share is relatively minor in contrast to the claim of generics of around 50% of pharmaceutical sales in the US and Europe. Brazil's generics industry still has a lot of room for expansion, and the good news for manufacturers is that the average number of generics registered per brand has almost quadrupled over the last decade.

The generics market is expected to maintain growth at a CAGR of 19%, but as generics are priced at around one-eighth of the price of branded drugs, their increasing market share may well dramatically alter the revenue made in the Brazilian pharmaceutical sector.