



CLIENT STORY | FORWARD INTEGRATION INTO PHARMA FORMULATIONS IN INDONESIA AND VIETNAM

**Region :**

SOUTHEAST ASIA

**Consulting Services :**

MARKET ASSESSMENT, MARKET ENTRY STRATEGY

## CLIENT SITUATION

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- The client is a global major in APIs and is a JV between an European conglomerate and a leading Chinese API company
- The Asia regional division of the company was keen to evaluate a value addition strategy for its key APIs – including forward integration into formulations
- The company was keen to explore the value addition potential in target geographies of Indonesia and Vietnam
- The client wanted to assess the potential for each of the countries and then decide on an entry strategy to operate in one or more of the target geographies

## OUR APPROACH

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- Avalon conducted a detailed market assessment by market visits and face to face interviews in Indonesia and Vietnam with key players in the value chain- API Manufacturers, Formulations Manufacturers, Marketing Companies, Importers and Distributors.
- Avalon also conducted interviews with the pharmaceutical industry experts to validate the findings
- Avalon created the market landscaper highlighting the critical success factors of doing business in the two geographies – including the overall potential and the entry barriers (market and regulatory related)

## OUR RECOMMENDATION/ IMPACT

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- Entry attractiveness was evaluated for each of the target markets in the formulations space based on business volumes, potential market shares , gross profit potential, regulatory and other entry barriers
- Recommendations on prioritization of entry options were made for each market – including a potential JV between the client and distributors in the target markets
- Avalon also conducted a preliminary partner search and the identified partners that were evaluated by the client