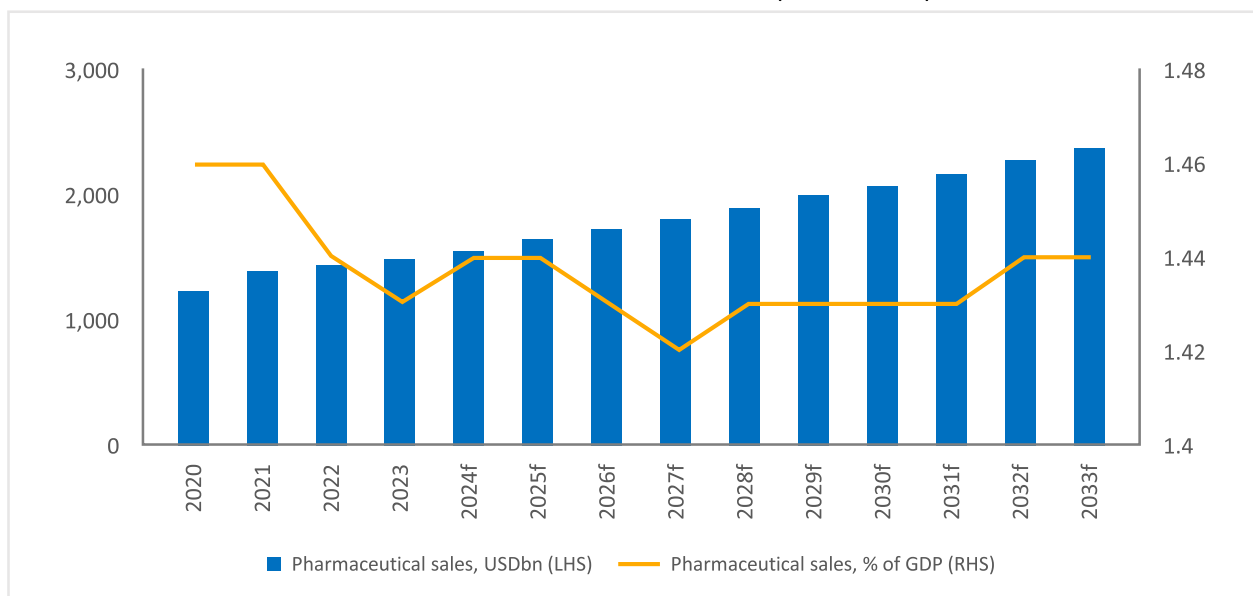


PHARMA & BIO

Global Market Size/Forecast

- The global pharmaceutical market is projected to grow at an average annual rate of 4.9%, expanding from USD 1.516 trillion in 2023 to USD 1.863 trillion by 2028, driven by increasing demand due to aging population and expanding investment in new drugs.

<Pharmaceutical Market Forecast (2020-2033)>

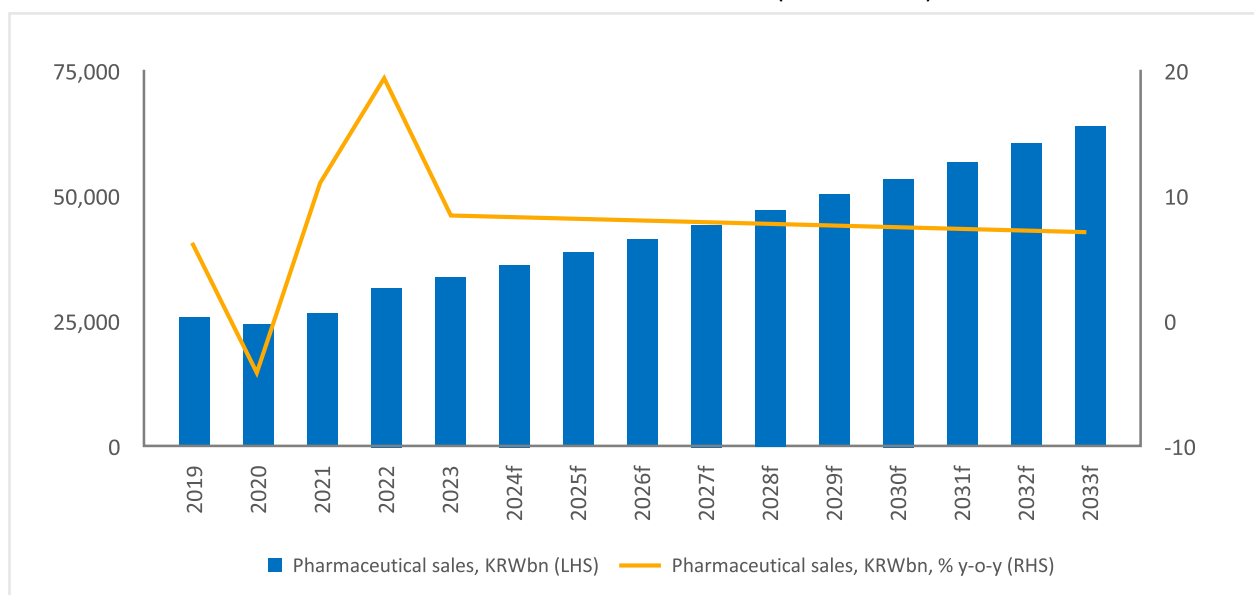


- The demand for obesity and inflammation-related drugs, along with the expansion of treatments for rare diseases and immuno-oncology drugs, is expected to drive market growth.
- With the establishment of the second-term government under President Donald Trump, protectionist trends are anticipated to affect the global pharmaceutical supply chain, necessitating the development of policies for supply chain self-reliance and stabilization.
- Governments around the world are balancing policies that regulate the pharmaceutical industry (such as price controls) to alleviate public healthcare costs and policies aimed at boosting domestic pharmaceutical industries (such as expanding investment attraction).

Domestic Market Size/Forecast

- ▶ Korea is attracting global attention as an attractive destination for pharmaceutical development and production. The pharmaceutical market in Korea is expected to grow from USD 24.5 billion in 2023 to USD 25.8 billion by 2028, with a projected annual growth rate of 7.2%. By 2033, the market is expected to grow at a CAGR of 6.6%, reaching USD 55 billion.
- ▶ The Korean government is maintaining a strong public healthcare policy and is expected to streamline regulations and the new drug approval process, increasing interest from international investors.
- ▶ With an aging population and longer life expectancy, demand for chronic disease treatments is expected to continue rising.

<Pharmaceutical Market Forecast (2019-2033)>



Sales/Exports/Production Volume

- ▶ As of 2023, 22 pharmaceutical companies had sales exceeding KRW 500 billion, with Samsung Biologics surpassing KRW 3.7 trillion in sales. Celltrion ranked second at KRW 2.2 trillion, followed by Yuhan Corporation at KRW 1.9 trillion, Chong Kun Dang at KRW 1.7 trillion, and GC Green Cross at KRW 1.6 trillion.
- ▶ The pharmaceutical export volume as of 2023 was approximately USD 7.57 billion, with major export destinations including U.S.A, Japan, and Germany.
- ▶ Exports are expected to grow by 16.1% over the five years, and exports are projected to account for a larger share than domestic sales.

< Pharmaceutical Exports by Country>

(Unit: 1,000\$, %)

Ranking	Country	2023			2024			Increase/ Decrease Rate
		Finished	Materials	Total	Finished	Materials	Total	
1	U.S.A	895,872	131,664	1,027,536	813,768	172,222	985,990	4.2
2	Japan	513,151	311,231	824,383	427,541	346,904	774,445	6.4
3	Germany	499,512	97,908	597,420	638,638	96,880	735,518	-18.8
4	China	121,950	264,530	386,480	110,787	340,506	451,293	-14.4
5	Turkey	346,262	38,648	384,909	518,019	21,395	539,414	-28.6
6	Italy	272,874	81,335	354,209	322,969	75,916	398,885	-11.2
7	Belgium	316,247	36,092	352,339	172,363	14,133	186,496	88.9
8	Switzerland	281,436	79,511	350,947	208,415	107,633	316,048	11
9	Netherlands	113,266	206,753	320,019	26,732	186,215	212,946	50.3
10	Hungary	311,573	6,493	318,066	180,191	6,604	186,795	70.3
Total Export		5,438,719	2,130,654	7,569,373	5,806,015	2,285,729	8,091,744	-6.5

- ▶ The biosimilars market is growing rapidly, and the introduction of blockbuster antibody new drugs is expected to drive an increase in contract manufacturing orders in South Korea.

Trends in Foreign Investment in South Korea

- Foreign direct investment (FDI) in the pharmaceutical and healthcare sectors accounts for 4% of the total FDI filings in the country.

Sub-industry	2019		2020		2021		2022		2023		2024	
	Case	Amount	Case	Amount	Case	Amount	Case	Amount	Case	Amount	Case	Amount
Pharmaceuticals and medical supplies	30	367	29	530	37	400	23	209	23	388	21	748
Medical devices and equipment	47	105	35	52	48	76	42	625	38	98	41	535
Pharmaceutical and pharmacological R&D	10	88	3	175	10	611	11	58	10	14	9	143
Total	87	560	67	757	95	1,087	76	892	71	500	71	1,426

- Following the transition to an endemic phase of COVID-19 in 2023, exports of related items sharply decreased. However, revenues from core bioindustry products, such as biosimilars and contract manufacturing of biologics (CDMO), have continued to expand, leading to overall growth in the bioindustry. Consequently, demand for investment in raw materials for CDMO processes has increased.

Trends in Foreign Investment in South Korea

- Korea is one of the major pharmaceutical markets in the Asia-Pacific region, with transparent and fair government regulatory policies.
- The domestic pharmaceutical market is robust due to the aging population, and steady growth is expected in the future.
- South Korea has a number of global pharmaceutical companies and is actively engaged in R&D.
- There is significant government support for the development of public healthcare, underpinned by an advanced healthcare system.

Incentives/Regulatory Status

- Price Regulations
- Pharmaceutical Clinical Approval Regulations
 - Pharmaceutical clinical approval regulations are strict. The Ministry of Food and Drug Safety (MFDS) sets rigorous clinical approval standards for pharmaceutical development.
 - Starting in 2023, the MFDS has been operating a "Clinical Trial Consultation Committee" to continuously discuss regulatory improvements.

Cluster Status

- MOTIE has designated five specialized bio-industrial strategic zones in June 2024.
- The government is fostering innovation in the bioindustry, including the manufacturing of pharmaceuticals, R&D, vaccines, and AI-based new drug development.



Industry Development Policies

- ▶ **3rd Five-Year Comprehensive Plan for the Development and Support of the Pharmaceutical and Biotechnology Industry**
 - Continued expansion of public-private R&D investments, support for the discovery of promising next-generation technologies, open innovation, and focused R&D support for drug development using AI/big data.
- ▶ **Government ministries announced the Advanced Bio Initiative, which aims to combine innovative technologies and high-quality data to strengthen the 'bio value chain,' with a focus on creating new service platforms and tangible value.**
 - Key objectives include fostering digital bio, transforming the material industry into the one biotechnology-based, improving the quality of life and health of the population, and addressing global challenges such as climate change.
 - The plan also includes developing convergent human resources, building digital infrastructure, creating an industrial ecosystem, and improving regulations.

Key Examples

- ▶ **Singapore's Prestige Biopharma:** Singapore biopharmaceutical company P has established an innovative new drug research institute in Busan (November 2024) to complete a full value chain system that spans antibody biologics development, clinical trials, commercialization, and manufacturing. Focus is on developing innovative antibody drugs.
- ▶ **Germany's Merck:** The global leader in biopharmaceutical raw materials, Germany's M, has signed an investment cooperation agreement with the MOTIE and Daejeon-si to build a raw material production facility for biopharmaceutical processes in Daejeon.
- ▶ **Germany's Sartorius:** Germany's S, a leading supplier of raw materials and equipment for biotech R&D and vaccine production, is constructing a bio-campus in Songdo, Incheon-si for biopharmaceutical production and R&D.