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It is my pleasure to present the updated edition of the '**Sectoral Report on Pharmaceutical Market in Argentina & Opportunities for Indian Companies**' to all stakeholders.

2. India, known as the "Pharmacy of the World", plays a critical role in supplying medicines around the globe. India is the largest provider of generic drugs globally and is renowned for its affordable vaccines and high-quality medicines while adhering to Good Manufacturing Practices (GMP) standards set by the World Health Organization (WHO) and the United States Food and Drug Administration (USFDA). Over the years, the Indian Pharmaceutical industry has evolved into a vibrant sector, currently ranked third in pharmaceutical production by volume and 14th in terms of value. Globally it ranks 4th in terms of generic production and 17th in terms of export value of bulk actives and dosage forms. The Indian pharmaceutical industry is also the largest vaccine supplier globally by volume.

3. Indian pharmaceutical products are exported to more than 200 countries, including regulated markets like the US, UK, European Union and Canada. India's pharmaceutical and medical devices sectors stand as a testament to the country's growing capabilities in science, innovation, and manufacturing. India is now increasingly recognized as a strategic partner in the drug discovery value chain. The pharmaceutical industry in India is a significant part of the nation's foreign trade and offers lucrative potential for investors.

4. I believe that there is a significant potential for deepening of bilateral trade and investment between the two Strategic partners, India and Argentina in the fields of pharmaceuticals, medical devices & instruments, vaccines and disposables as well as Ayurveda and Homoeopathy. India is also well-known vaccine producer and currently meets 60% of the global demand. Efforts are being made to further ramp up the manufacturing to meet surging global demands. In fact, over 65% of vaccine requirement of WHO is currently being sourced out of India. Positioning India as the world's largest vaccine producer by volume. This will be mutually beneficial: while India can expand its exports to Argentina's quality-conscious yet cost-sensitive market, Argentina could lower its expenditure on high-cost pharmaceutical imports.

5. The recent Provision 7998/2025 dated 27 October 2025 from National Administration of Drugs, Food and Medical Technology (ANMAT) eliminates mandatory on-site verification of Good Manufacturing Practices (GMP) by the inspectors in foreign pharmaceutical plants exporting medicines to Argentina. ANMAT has established new technical guidelines, deadlines and evaluation criteria that the National Institute of Medicines (INAME) would apply for the verification and certification of international establishments. This new measure would not only streamline procedures but also increase the supply of the country's pharmacies and will act as a positive catalyst in entry of the Indian products in the local Argentine market. In addition, Law No. 16463/1964 allows provincial governments to import the pharmaceuticals directly.

6. As part of a sustained endeavour to update the Sectoral Report, all aspects of Argentina's pharmaceutical sector, including the current state of the local pharma market, trade statistics, leading companies, and the regulatory framework have been examined. The updated edition provides an in-depth analysis of various drug markets in Argentina and highlights opportunities and challenges for Indian pharmaceutical companies making the report an equally valuable reference to the investors as well as all the stakeholders.


(Ajaneesh Kumar)

The background of the slide is a soft-focus collage of pharmaceutical-related items. It includes several pills in various colors (orange, white, pink, blue) and shapes (round, oval, capsule). There are also two glass test tubes, one of which is partially filled with a clear liquid. A blue and white DNA double helix is visible in the upper left and lower left corners. The entire scene is overlaid with a pattern of light blue hexagons, suggesting a molecular or chemical structure. The text 'Pharmaceutical Sector in Argentina' is centered in a large, bold, dark blue font.

Pharmaceutical Sector in Argentina

2025



/01

Overview



// OVERVIEW

- Argentina is the 4th largest pharmaceutical market in Latin America, valued at USD 7.3 bn in 2023.
- Prescription drugs dominate the market, accounting for about 88.5% of the total.
- Patented - branded drugs represent roughly 63.8% of the market.
- **Generics account for about 24.7% of the market.**
- Over-the-counter drugs make up approximately 11.5% of the total market.
- Major international players include Bayer, Roche, Novartis and Abbott; prominent local firms include Roemmers, Bagó, Elea and Gador.
- Private sector R&D activities focus primarily on experimental development, largely driven by multinational firms.
- Argentina's biotechnology sector remains competitive within Latin America, though it faces challenges in funding and market mechanisms.
- **The government supports R&D through a variety of funding programmes and public-private partnerships (PPPs).**
- Argentina's R&D spending as a percentage of GDP is the third in the region - behind Brazil and Uruguay -with **4.9% of GDP.**

// INDUSTRY COMPONENTS

REGULATION STATE



(*) These entities are responsible for the provision of medical care for workers in Argentina. All workers get medical care through a system of contribution of a certain percentage of salary by both the employer and the employee.

// VALUE CHAIN COMPONENTS

NETWORK

PRODUCTION

DISTRIBUTION AND COMMERCIALIZATION

LABORATORIES

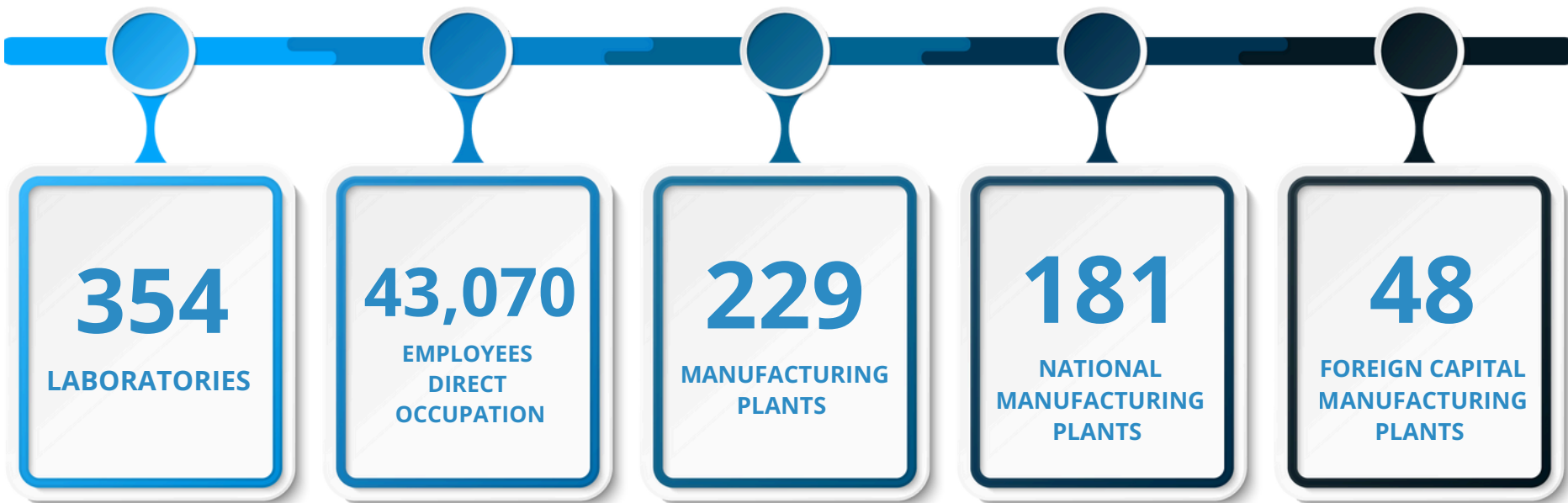
RESEARCH INSTITUTIONS

UNIVERSITIES

LABORATORIES



// MARKET size



2024

TOTAL REVENUE

USD **5,207** M (**)

EXPORTS

USD **962** M (*)

IMPORTS

USD **1,559** M (*)

Source: (*) CILFA, September 2024
(**) INDEC, December 2024

// SWOT analysis

Strenghts

- The country's disease profile is similar to that of developed markets, and the population is ageing, which is driving additional demand for and consumption of medicines.
- Well-educated, skilled workforce will help attract investment from pharmaceutical firms looking to manufacture highvalue products.
- Relatively wide-ranging reimbursement coverage from socialised insurance schemes

Opportunities

- The regulatory improvements should improve the quality of locally made pharmaceuticals; with a weakening peso, exports are likely to increase.
- Universal Health Coverage plan should increase healthcare access for the least affluent, driving up demand for medicines and healthcare services over the long term.
- The nationwide electronic prescriptions mechanism will streamline the disbursement of prescriptions as well as guarantee the provision of medicines in the country.
- A renewed push to leverage the low cost of pharmaceutical production and clinical studies reflects government efforts to bolster the country's position as a leading pharmaceutical market regionally and internationally.
- New technical and scientific partnerships with regional and international bodies will improve the local operational environment and help attract investment

Weaknesses

- Government policy has been traditionally biased towards local drug producers, with the authorities keen to keep the national drugs bill low via the application of price controls and state-run laboratories.
- Poor regulatory conditions have alienated multinationals and deter companies from establishing production in the country.
- High inflation is undermining the country's cost advantages - primarily owing to the weakness of the peso.

Threats

- The country's interest in introducing international reference pricing, and the government's increased focus on adapting the reimbursement regime to health technology assessment agencies' practices and preventing reportedly high prices for medicines, pose downside risks to revenues.
- The weakening peso will make purchases of raw materials from abroad more challenging.
- Novartis's decision to withdraw many of its pharmaceuticals and biosimilars from the Argentine market reflects ongoing issues around regulatory complexity as well as the country's ongoing economic issues.
- Rapid inflation-driven price increases continue to disrupt pharmaceutical and medical supplies across the country



/02

MARKET players



PHARMACEUTICAL MARKET STRUCTURE IN ARGENTINA

- Laboratories set prices, margins, financing mechanisms, and payments to wholesalers and pharmacies.
- Suggested retail price (SRP) used as a reference for discounts and margins.
- Not only is there a **high horizontal concentration** (sales by units and value), but there are also **large economic groups with high vertical integration** (Roemmers Group, Bagó Group and Sielecki Group)

Wholesale Distribution

- 4 main wholesalers control 70% of the market.
- **Top wholesalers:** Droguería del Sud, Monroe Americana, Suizo Argentina, Barracas, Kellheroff, Sur, Mar Jufec.

Retail Distribution

- Around 13,000 pharmacies in Argentina.

Sales Concentration

- Top 10 companies account for 51% of sales.
- Top 20 companies account for 71% of total sales (CILFA, 2022).

// Market PLAYERS

Unlike other countries in the region, **more than half of the pharmaceutical commodities are purchased by Government-funded hospitals.**

Pharmaceutical manufacturing companies are **concentrated** in City of Buenos Aires and the province of Buenos Aires, particularly in the Greater Buenos Aires area.

Laboratory	Origin	Revenue (USD)
ROEMMERS	Domestic	538
ELEA	Domestic	497
PHOENIX	Domestic	404
CASASCO	Domestic	386
GADOR	Domestic	332
MONTPELLIER	Domestic	327
BALIARDA	Domestic	318
RAFFO BAGO	Domestic	318
BAYER	Foreign	207
SANOFI AVENTIS	Foreign	203
GSK	Foreign	201
NOVO-NORDISK	Foreign	158
PFIZER	Foreign	150
BERNABO	Domestic	143
INVESTI	Domestic	140
GENOMMA	Foreign	121
TEVA	Foreign	121
ANDROMACO	Domestic	118
BOEHRINGER ING	Foreign	114
ASTRAZENECA	Foreign	107

TOP 10
LABORATORIES
concentrate
51%
of SALES.

(in USD million, at wholesale prices)

// COMPETITORS STRATEGIES

IMPERFECT COMPETITION	The industry has features of an imperfect competition market: information asymmetry, heterogeneity of products and few suppliers
SALE PRICE	Laboratories fix sale prices. The fixed sale price serves as a benchmark for the other components in the value chain
ADVERTISING	The marketing strategy of large laboratories consists in positioning themselves as leading brands by means of advertising. Such strategy allows them to sell at higher prices
VERTICAL INTEGRATION	Larger laboratories integrated vertically and established their own distributors, taking on a key role in medicine distribution and replacing pharmaceutical wholesalers
DIFFERENTIATION	The leading companies compete against each other to manufacture differentiated products and develop drugs with the greatest potential
PHARMACY CHAINS	Retail sales are mainly concentrated in pharmacies. Pharmacy chains first appeared in the 1990s, introducing a business model that was completely different from traditional pharmacies.



03/

International Trade



// IMPORTS & EXPORTS

Pharmaceutical Exports Trend:

- The value of exports in local currency will increase by 36.2% from 2023 to 2028. However, when converted to USD, the value of exports will decrease by 5.4% per year.
- Efforts will focus on exporting more generic medicines, biopharmaceuticals, and veterinary products.

Pharmaceutical Imports Trend:

- The value of imports in local currency is expected to grow strongly by 38.7% per year between 2023 and 2028.
- The country will continue to depend on expensive imported medicines, especially new and innovative products.

Market Dynamics

- Government pushing to increase local drug production but still reliant on imports.
- Rising inflation and limited purchasing power of end consumers impacting both imports and consumption.
- Expected positive outlook for recovery in 2025, which may boost market growth.

Indicator	2022	2023	2024f	2025f	2026f	2027f	2028f
Pharmaceutical exports (USDmn)	338.83	338.79	293.71	253.32	232.48	233.32	256.6
% y-o-y change in exports	-33.56	-0.01	-13.31	-13.75	-8.23	0.36	9.97
Pharmaceutical imports (USDmn)	2,934.47	3,170.92	1,581.87	1,841.72	2,009.05	2,236.84	2,634.37
% y-o-y change in imports	-7.13	8.06	-50.11	16.43	9.09	11.34	17.77
Pharmaceutical trade balance (USDmn)	-2,595.63	-2,832.13	-1,288.16	-1,588.40	-1,776.57	-2,003.52	-2,377.77

f = BMI forecast. Source: DESA/UNSD United Nations Comtrade Database, ITC, BMI

// Government Policy Shifts

- In October 2024, the Central Bank of Argentina (BCRA) issued Communication “**A 8118**”, reducing import-payment timelines. Importers may now settle payments within 30 days of customs entry for eligible goods.
- **The Impuesto PAIS tax rate** on imports was reduced to 7.5% effective 3 September 2024.
- In late 2024, the government launched trade-deregulation measures to streamline import procedures and reduce bureaucracy in import pricing and fiscal-stamp requirements (details vary by sector).
- The suspension of VAT and income-tax exemption certificates for certain imports remains in force until at least 30 June 2025, continuing to affect advance-payment obligations.
- As of January 2025, electronic prescriptions became mandatory nationwide under **Decree 345/2024**; prescriptions must be issued exclusively through platforms registered with the National Registry of Digital Health Platforms (ReNaPDiS).
- On 27 October 2025, Argentina eliminated mandatory on-site GMP inspections by ANMAT in foreign pharmaceutical plants, replacing the 2005 regulation and allowing reliance on trusted foreign GMP certifications under **Disposición ANMAT 7998/2025**.



The National Registry of Digital Health Platforms (**ReNaPDiS**), established by Resolution 1959/2024, is managed by the Subsecretariat of Epidemiological Surveillance, Health Information, and Statistics, with operational coordination by the National Directorate of Health Information Systems. This registry aims to promote the development of secure, interoperable, and high-quality digital health platforms, enhancing healthcare accessibility and system integration while ensuring information security.