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# APAC Vaccines Market: A Brief Review

*October 2, 2018*

IQVIA Consulting Group

# Table of Contents

- + **APAC Vaccines Market Overview**

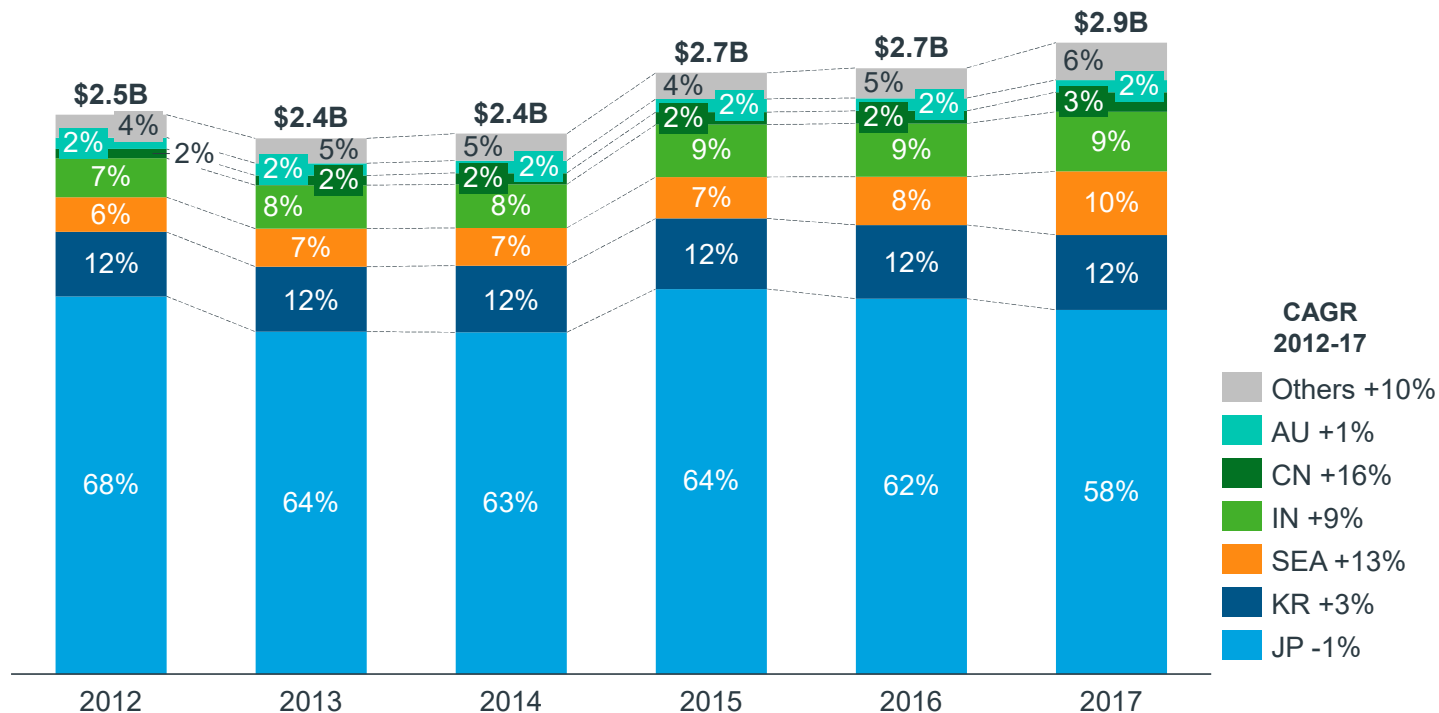
- + Trends Shaping Market

- + Emerging Opportunities and Challenges

# Japan is the largest market amongst the ~\$3B APAC vaccine market; other markets are smaller in size but faster growing

## APAC vaccine sales by country

APAC vaccines sales by country (sales in value, USD Bn)



## Insights

- **Japan** is the largest vaccine market in APAC (>50% of market value); however Japan's growth has partially stagnated recently as **vaccine penetration stabilized**
- **China and South-East Asia** have had tremendous growth at >10% per year
- **Growth driven** by a few factors:
  - rising demand for better healthcare services
  - improved affordability of healthcare
  - expanded public health spending
  - greater awareness of immunization benefits

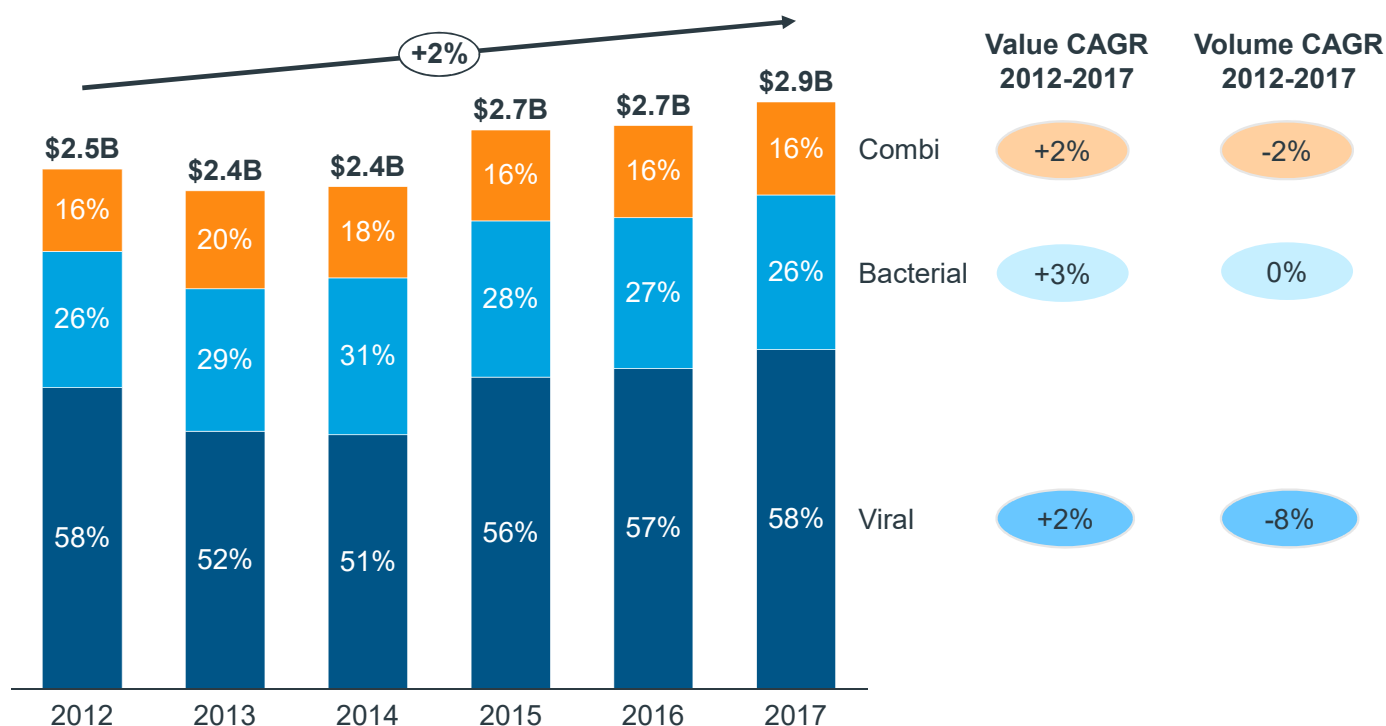
Source: IQVIA MIDAS, IQVIA analysis

APAC Vaccine Market Landscape

# Viewed by vaccine type, a more nuanced picture emerges; vaccine sales value grew at 2% while sales volume declined

## APAC vaccine market overview

APAC vaccine sales and growth (sales in value, USD Bn)



## Insights

- The **APAC vaccine market** is ~\$3 billion USD, with an average **growth of 2%** annually between 2012-17
- In 2013 and 2014, a **reduction in total vaccine sales** was observed, mainly caused by the falling overall demand of viral and combination vaccines
- **Volume decline** is mainly driven by viral vaccines
- **Viral vaccines** still have the **highest market share** (over 50%) followed by bacterial vaccines

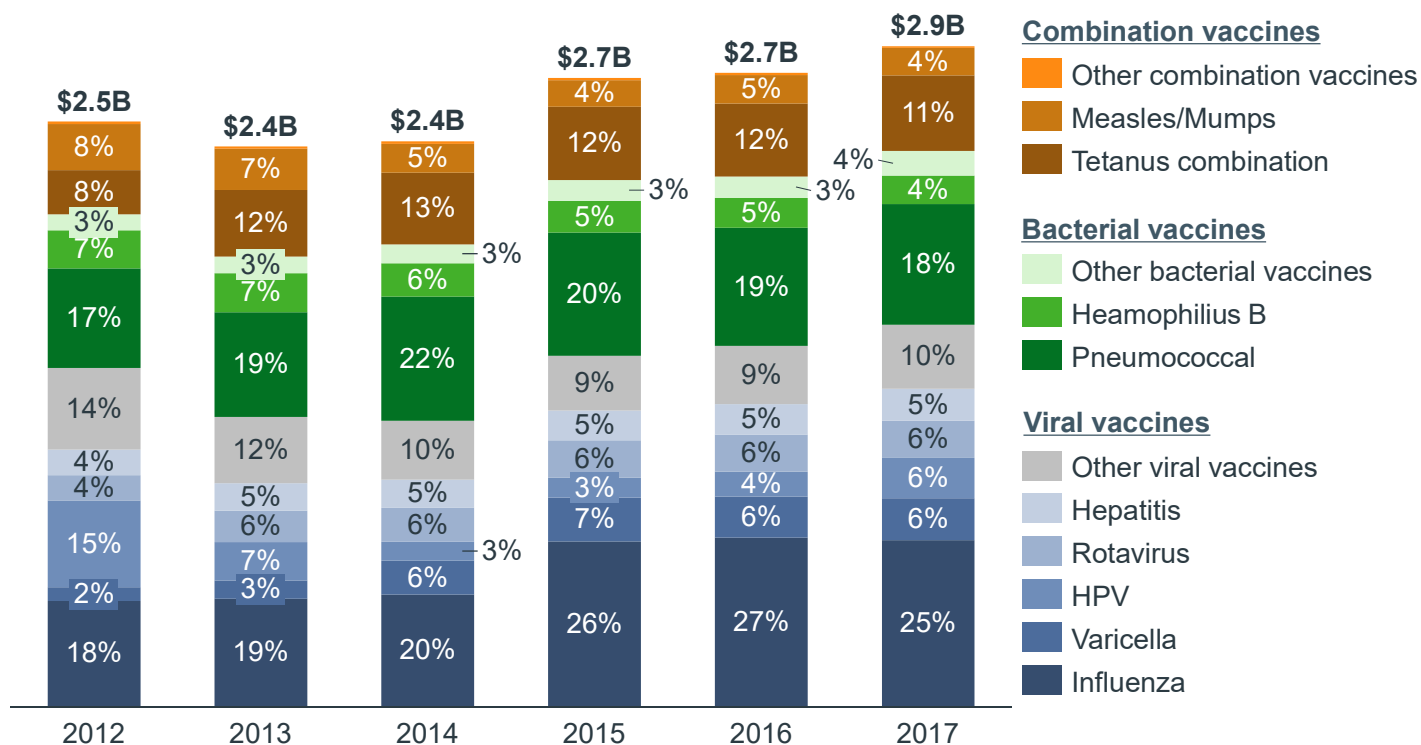
APAC includes Australia, Bangladesh, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, Pakistan, Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam  
Source: IQVIA MIDAS, IQVIA analysis

APAC Vaccine Market Landscape

# Across APAC, influenza and pneumococcal vaccines are the top sellers, while the varicella vaccine is the fastest growing...

## APAC vaccine sales by therapeutic area

APAC vaccines sales by therapy area (sales in value, USD Bn)



## Insights

- APAC vaccine sales driven by **influenza and pneumococcal vaccines**
  - **Influenza vaccines** sales is valued at ~\$0.7 Bn and has **grown 4%** per year
  - **Pneumococcal vaccines** sales is valued at ~\$0.5 Bn and has **grown 10%** per year
- **Highest sales increase** seen for **varicella vaccines** with a CAGR of ~25%
- **Sales decline** for measles and mumps vaccines, haemophilus B vaccines, and HPV vaccines

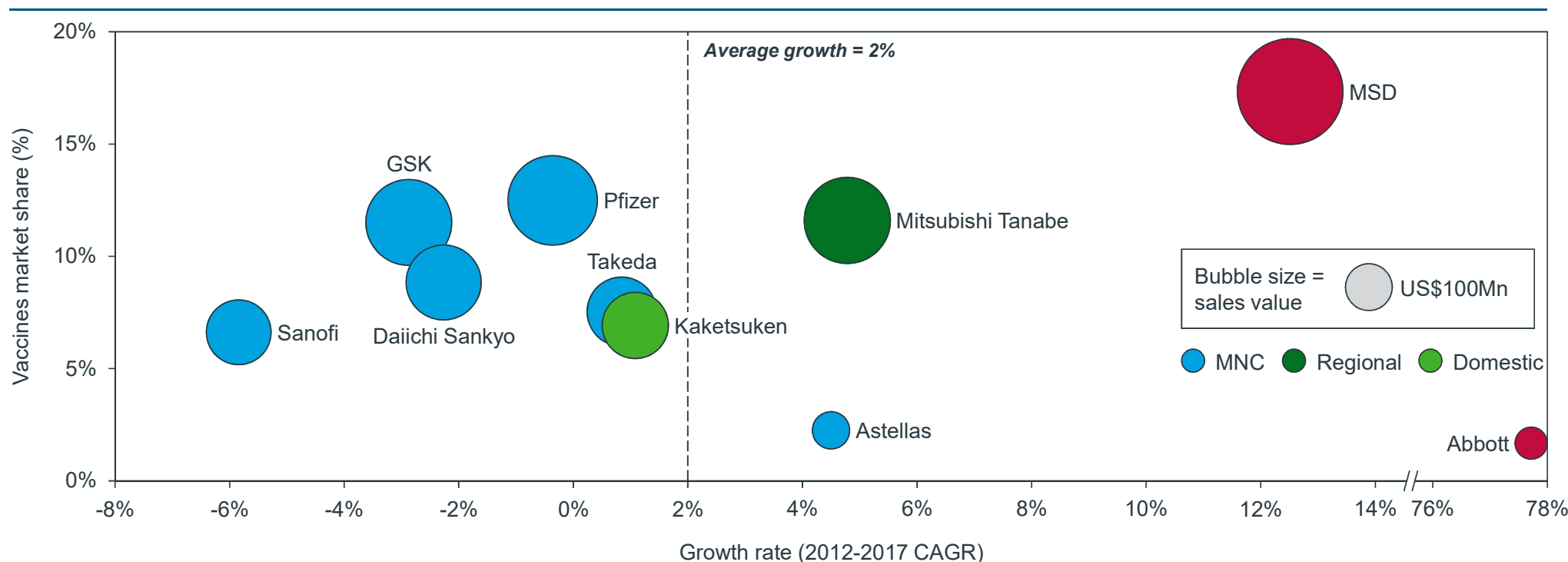
Source: IQVIA MIDAS, IQVIA analysis

APAC Vaccine Market Landscape

# Supplying the growing market are a handful of players (primarily MNCs), with MSD and Abbott showing the highest growth...

## APAC vaccines competitive landscape

Historical growth vs. market share of top 10 companies by sales



1. Domestic refers to companies primarily present in their domestic market; regional refers to companies present in at least 3 countries in the same region; MNCs refers to companies with presence across different regions  
Source: IQVIA MIDAS 2017 sales value

APAC Vaccine Market Landscape

# Across these companies, the most successful products include Prevnar and Pneumovax (bacterial) and Vac (Influenza)

## Top products and corporations

	No.1 Selling Product			No.2 Selling Product			No.3 Selling Product		
	Product	Company	Sales (\$Mn)	Product	Company	Sales (\$Mn)	Product	Company	Sales (\$Mn)
Combination vaccine	Tetrabik (Tetanus combi)	Mitsubishi Tanabe	78.9	Quattrovac (Tetanus combi)	Kaketsuken	51.9	Squarekids (Tetanus combi)	Daiichi Sankyo	51.2
Bacterial vaccine	Prevnar (Pneumococcal)	Pfizer	355.6	Pneumovax (Pneumococcal)	Merck & Co	123.4	ACT HIB (Haemophilus B)	Daiichi Sankyo	116.5
Viral	Vac influenza (influenza)	Kaketsuken	108.9	Vac influenza (influenza)	Takeda	96.9	Varivax (varicella)	Merck & Co.	87.7

1. Domestic refers to companies primarily present in their domestic market; regional refers to companies present in at least 3 countries in the same region; MNCs refers to companies with presence across different regions  
Source: IQVIA MIDAS 2017 sales value

APAC Vaccine Market Landscape

MNC<sup>1</sup>

Regional<sup>1</sup>

Domestic<sup>1</sup>



# Table of Contents

- + APAC Vaccines Market Overview
- + **Trends Shaping Market**
- + Emerging Opportunities and Challenges



# Three key trends have a positive impact on the global and APAC vaccines market

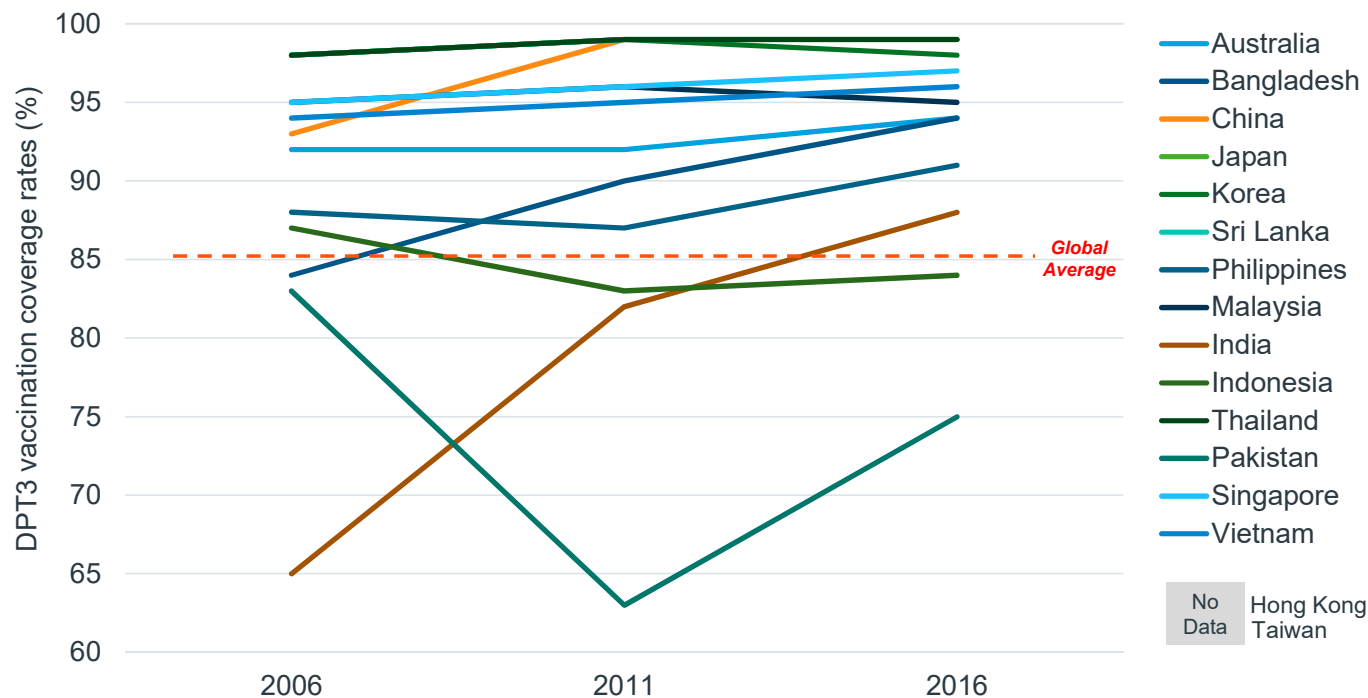
## Trends in vaccines

Key themes	Description
1 Expanded Coverage	<ul style="list-style-type: none"><li>Government focus on vaccinations has increased coverage of national immunization programs</li></ul>
2 Robust Vaccine Pipeline	<ul style="list-style-type: none"><li>Significant growth among current players and the emergence of new players has expanded the global and APAC vaccines market</li></ul>
3 Vaccination Ecosystem	<ul style="list-style-type: none"><li>Improved healthcare infrastructure and other technological advancements in vaccine storage and transportation drive improved availability for intensified vaccination campaigns</li></ul>

# 1 Vaccination coverage increased in most APAC countries and is generally above the global average

*Trends: Greater Coverage*

**Vaccines Coverage Rate**  
(DTP3 vaccine coverage as proxy for overall vaccination coverage<sup>3</sup>)



Note: Due to the WHO listing DTP as a part of the routine immunization schedule for all countries in 2012, the DTP3 (completed all 3 doses) vaccine is used as a proxy to gauge the level of vaccine coverage in each country

Source: IQVIA MIDAS, IQVIA analysis  
APAC Vaccine Market Landscape

## Insights

- **Increase in vaccine coverage** in most APAC countries in the past 10 years
- In **more developed countries**, i.e. Australia and Singapore, **coverage maintained at the mid to high 90s**
- **Coverage for less developed countries**, i.e. Philippines and Indonesia, fluctuated but have generally **reached more than 85%** by 2016
- **Pakistan is lagging behind** due to supply chain inefficiencies and weaker infrastructure (e.g. cold chain, storage)

# 1 Vaccination coverage has also increased because it is on top of the global and local health agenda

*Trends: Greater Coverage*

## Immunization on top of the agenda



### WHO initiatives

- Global Vaccine Action Plan (GVAP)
- Global Immunization Vision and Strategy (GIVS)

### Global Vaccine Action Plan

- GVAP aims to **strengthen routine immunization** and thereby prevent millions of deaths through more equitable access to vaccines by 2020

### Global Immunization Vision and Strategy

- GIVS aims to **control morbidity and mortality** from vaccine-preventable diseases and **helps countries to immunize** more people with a greater range of vaccines

## Growing immunization support



### Growth support

- National and regional government focus on vaccination
- GAVI Alliance, Gates Foundation and donors

### Government focus

- In more developed APAC countries, **government focus on vaccinations** has increased coverage of strains on national immunization programs

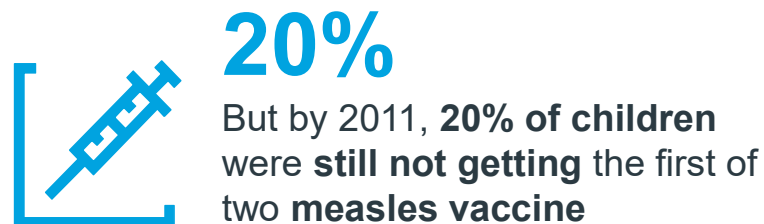
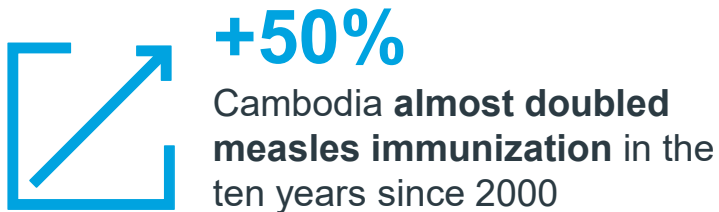
### GAVI Alliance

- In developing APAC countries, the GAVI Alliance contributed to the **funding of immunization**

# 1 For example, WHO's program to eliminate measles and strengthen health services in Cambodia has helped move the numbers

## Trends: Greater Coverage - Case Study

### Situation



### Action

#### Immunize more children against measles

WHO helped Cambodia to:

- Check measles vaccination status
- Map out communities at risk of missing immunization
- Alert the community to upcoming measles immunizations

#### Improve access to other health services

- When children came in for their measles vaccination, health officials checked vaccination against other diseases
- Children received missing immunizations

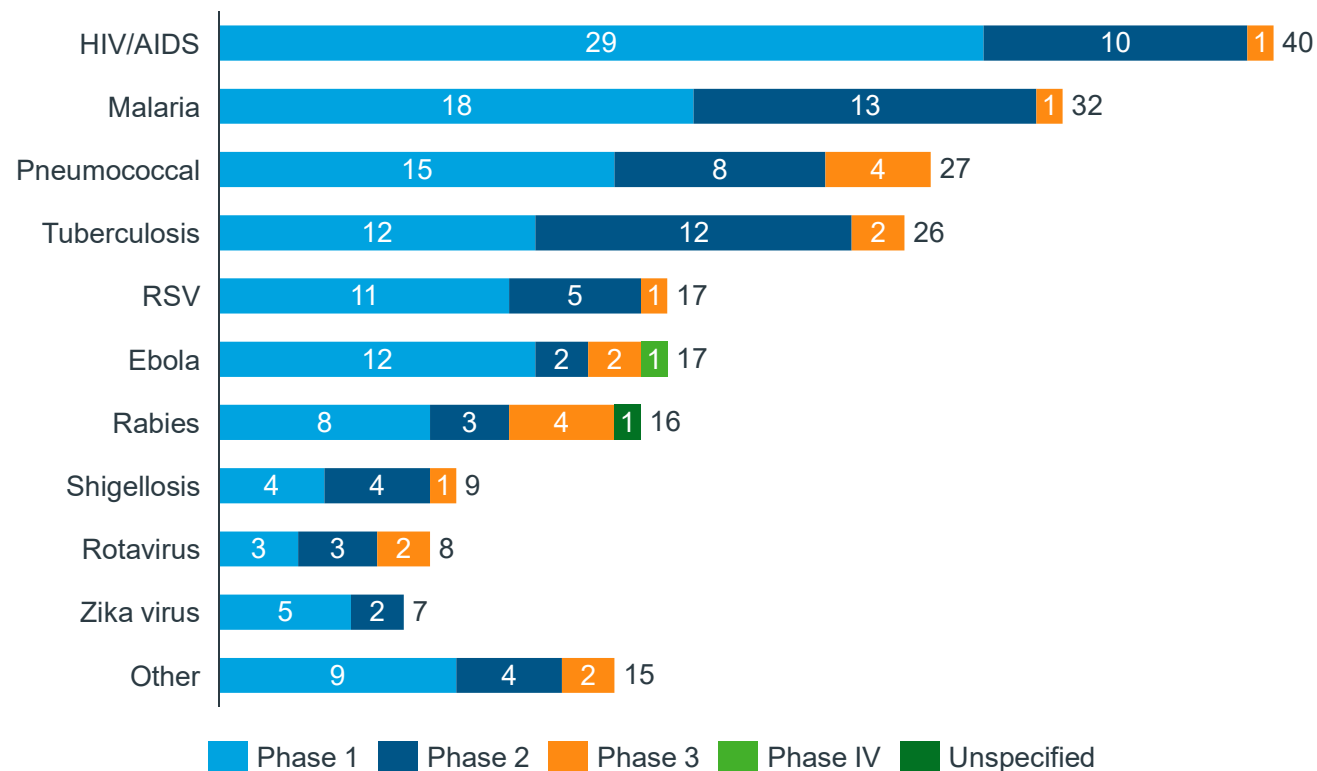
### Results

- 1 **More children immunized** against measles and **improved access to other health services**
- 2 No measles cases in 2012 – down from 700 reported cases in 2011

## 2 The global vaccine pipeline is promising with candidate products targeting other debilitating diseases such as HIV and malaria

*Trends: Growing Entrants*

Global vaccines pipeline



Insights

- Across all disease areas, **214 vaccines** are in various phases of **development**
- Top three disease areas with candidate products are **HIV/AIDS** (40), **malaria** (32) and **pneumococcal infections** (27)
- There are **20 vaccines in Phase III** development stage, with most phase III products for pneumococcal infections and rabies

### 3 An evolving vaccine ecosystem including new modes of administration will continue to drive improvements in outcomes

#### *Trends: Technological Advancements*

##### New Disease Areas

- **Infectious diseases**

- Vaccines for new disease targets (i.e. HIV)
- More effective vaccines in areas where vaccines already exist (i.e. Hepatitis B)

- **Cancer**

- Expansion of cancer treatment vaccines (immunotherapy)



##### New modes of administration

- **Inhaled vaccines**

- Nasal spray delivers a vaccine (i.e. influenza vaccine)

- **Patch**

- Patch with tiny needles delivers a vaccine (especially of interest in remote areas as trained medical person is not required)



##### Innovative vaccine types

- **Recombinant vaccines**

- Attenuated virus or bacterium used as a vector for an immunogenic protein from another infectious agent

- **DNA vaccines**

- DNA coding for an antigen is injected into an individual and produces an immune response



##### Advanced vaccine storage and supply

- **Storage**

- Development of vaccines that can be stored at higher temperatures







# Table of Contents

- + APAC Vaccines Market Overview
- + Trends Shaping Market
- + **Emerging Opportunities and Challenges**

# Growing immunization rates and new vaccines types are key growth drivers for vaccines





## Vaccines Opportunities

Growth Drivers and Opportunities		Details
	Improving immunization awareness	<ul style="list-style-type: none"><li>• Rising awareness of vaccination benefits in emerging markets is further expected to foster the vaccine market growth in APAC</li></ul>
	Rise in consumer affordability	<ul style="list-style-type: none"><li>• Consumer affordability growth, especially in emerging markets, will drive vaccine market sales, especially for self-paid (Category II) vaccines</li></ul>
	Emergence of innovative vaccine types	<ul style="list-style-type: none"><li>• Inactivated vaccines are expected to dominate the market owing to its benefits, including a long-shelf life and high stability</li><li>• DNA vaccines are expected grow fast, mainly due to high specificity and reduced risk of genome integration as compared to traditional vaccines</li></ul>
	New vaccines for fatal diseases	<ul style="list-style-type: none"><li>• High number of promising compounds in the vaccine pipeline</li><li>• Vaccines in Phase III clinical trials include fatal diseases like HIV/AIDS and malaria</li></ul>



# Lack of awareness and customer confidence are the major challenges in the APAC vaccines market

## Vaccines Challenges

Challenges	Details
 <b>Lack of awareness</b>	<ul style="list-style-type: none"><li>• Limited awareness of infectious diseases and prevention, especially in emerging markets</li></ul>
 <b>Inadequate delivery infrastructure</b>	<ul style="list-style-type: none"><li>• Limited physician and hospital accessibility in emerging markets constrains access to vaccines</li></ul>
 <b>Consumer trust and confidence</b>	<ul style="list-style-type: none"><li>• Continued trust in public and private vaccine systems is critical</li><li>• China's 2018 vaccine contamination / quality issues triggered a flight to quality with a push by parents for more Australian vaccines</li></ul>
 <b>Perception of limited value</b>	<ul style="list-style-type: none"><li>• Individuals are still unconvinced that vaccine offers protection or that it is safe</li><li>• Mismatch in perception between price and value</li></ul>

# Please Contact Us for More Information



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