

The Increasing Penetration of Universal Health Coverage in Indonesia will Boost the Pharmaceutical Sector: Ken Research

Indonesia Pharmacy Retail Market Outlook to 2025 By Market Structure, By Region, By Product Categories, By Therapeutic Areas; and By Product Type.

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- The national pharmaceutical industry is projected to grow this year because the number of participants in the National Health Insurance - Healthy Indonesia Card (JKN-KIS) continues to grow. As of 31st December 2019, the number of participants in BPJS is 224 million people and has exceeded 83% of the total population of Indonesia.

- Generic drugs are widely used as an alternative to high-priced patented drugs. The high price of drugs is the result of drug raw materials being imported. Through the JKN program, the government regulates the prices so that medicines are within the reach of people's purchasing power.

- The adoption of online channels for purchasing medicines is slowly increasing as a spill-over of the Covid-19 pandemic. In 2020, Universal Health Coverage launched their app, Mobile JKN application for medical consultations with doctors. The app also features delivery of medicines via courier from primary clinic pharmacies.

High Prevalence of Lifestyle- Related Diseases: High per capita income, sedentary lifestyle and unhealthy eating habits have promoted an inactive lifestyle among the people of Indonesia over the past few years. This has increased the incidence of various life-style related health issues amongst the country's population which has been a major driving force behind the growth of pharmacy retail sector. As of December 2019, 13.5% of adults aged 18 are overweight and 28.7% are obese (BMI >25) in Indonesia.



Growth in Online Retail: In order to increase accessibility and convenience, almost all the major pharmacy retail chains have started offering their products through online portals. With the growth of health conscious people, the demand for nutritional products and supplements have increased. This has facilitated the sale of such products through online channels. This is further supported by growing medical awareness and increase in number of internet users in Indonesia. The number of internet users in Indonesia increased from 89.3 million in 2015 to 175.4 million users in 2019.



Indonesia Pharmacy Retail Market Infographic

For More Information on the research report, refer to below link: -

<https://www.kenresearch.com/healthcare/pharmaceuticals/indonesia-pharmacy-retail-market-outlook-to-2025/394185-91.html>

Increased Life Expectancy and Ageing Population: The life expectancy for Indonesia in 2019 was 71.59 years, a 0.25% increase from 2018. Also, women have higher expectancy rate than men. It is estimated that in 2025 there will be 33.69 million individuals with age >60 years. These statistics reflect improved means of controlling communicable diseases and better medical amenities. These two factors have gradually led to an increase in median age of the population of Indonesia. Normally, individual healthcare expenditure is high during the later stage of a person's life. With increasing old age population, sale of medicines in the country has also inclined over years.

Plummeting Pharmaceutical Demand due to Covid-19: The demand for medicines decreased by as much as 50% during the corona virus pandemic. This was due to low demand, especially from hospitals that are empty of visitors due to Covid-19. This was further fuelled by people restraining from visiting the pharmacy amid fear of contracting the virus. The social distancing norms and the imposed lockdown have adversely impacted the pharmacy retail industry in Indonesia. Apart from production and utility issues, pharmaceutical companies experienced cash flow difficulties due to the fact that many hospitals are still in arrears for drug payments. In July 2020, total unpaid bills to health facilities reached IDR 3.0 trillion. The demand for medicine in the country remained low at the starting of 2020, however there was increase in demand for OTC products in the second half of the year. Slow recovery is expected in 2021. The manufacturers are expected to shift focus towards generic medicines along with launch of new OTC products due to increasing self medication trends in the country.

Analysts at Ken Research in their latest publication "[Indonesia Pharmacy Retail Market Outlook to 2025 By Market Structure](#) (Organized & Unorganized); By Region (West Java , East Java , Central Java , Jakarta , North Sumatra & Others); By Product Categories (Prescribed, OTC, Non-Pharmaceutical Products & Medical Equipment); By Therapeutic Areas; and By Product Type (Patented & Generic Drugs)" observed that in Indonesia is one of the largest pharmaceutical products market in South East Asia and is slowly recovering from the economic crisis after pandemic. The increasing insurance penetration in the country along with rising demand for OTC products is driving the growth of the industry. Increasing focus on promotional and marketing activities, new product launches, partnerships & collaborations are expected to drive the industry in the future. The Indonesia Pharmacy Retail Market is expected to grow at a CAGR of 1.5% on the basis of sales revenue over the forecast period 2019-2025.

Key Segments Covered: -

By Market Structure (Organized & Unorganized),

By Type of Product (Prescribed Drugs, Over-The-Counter, Non Pharmaceutical Products & Medical Equipments)

Further Segmentation of Product Type based on Hospital based and Street/Mall Based Pharmacies

By Region (West Java , East Java , Central Java , Jakarta , North Sumatra & Others)

By Type of Drugs (Patented & Generics)

By Therapeutic Areas (Anti-Infective, Cardiovascular, Pain/Analgesics, Vitamins/Minerals /Nutrients, Antibiotic, Respiratory, Gastro Intestinal, Gynecology, Neuro & Others)

Companies Covered:

Kimia Farma Apotek

Apotek K-24

Guardian

Watsons

Century

Viva Apotek

Griya Farma

Key Target Audience

Pharma/Medicine Manufacturers

Medicine Distributors/Wholesalers

Health Supplements and OTC Products Manufacturers

3PL Logistic Players

Government Organization catering to the Pharmaceutical Industry

E-Pharmacy Players

Offline Pharmacy Players

Hospitals

Industry Associations

Time Period Captured in the Report:-

Historical Period – 2014-2019

Forecast Period – 2020-2025

Key Topics Covered in the Report: -

Healthcare Overview of Indonesia

Trends and Growth Drivers in the Industry and Challenges Faced

Contraceptive Usage and Trends in Indonesia

Indonesia Pharmacy Retail Size and Segmentations, 2014 - 2019

Ecosystem and Value Chain of Pharmacy Retail Industry in Indonesia

Industry SWOT Analysis and BCG Matrix

Customer Decision Making Parameters

Cross Comparison between Major Players and Company Profiles & Product Portfolios

Future Market Size and Segmentations, 2019-2025F

Covid-19 Impact on the Industry & the Way Forward

Analysts' Recommendations

Related Reports by Ken Research: -

<https://www.kenresearch.com/healthcare/pharmaceuticals/thailand-pharmacy-retail-market-outlook-to-2025/384701-91.html>

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