



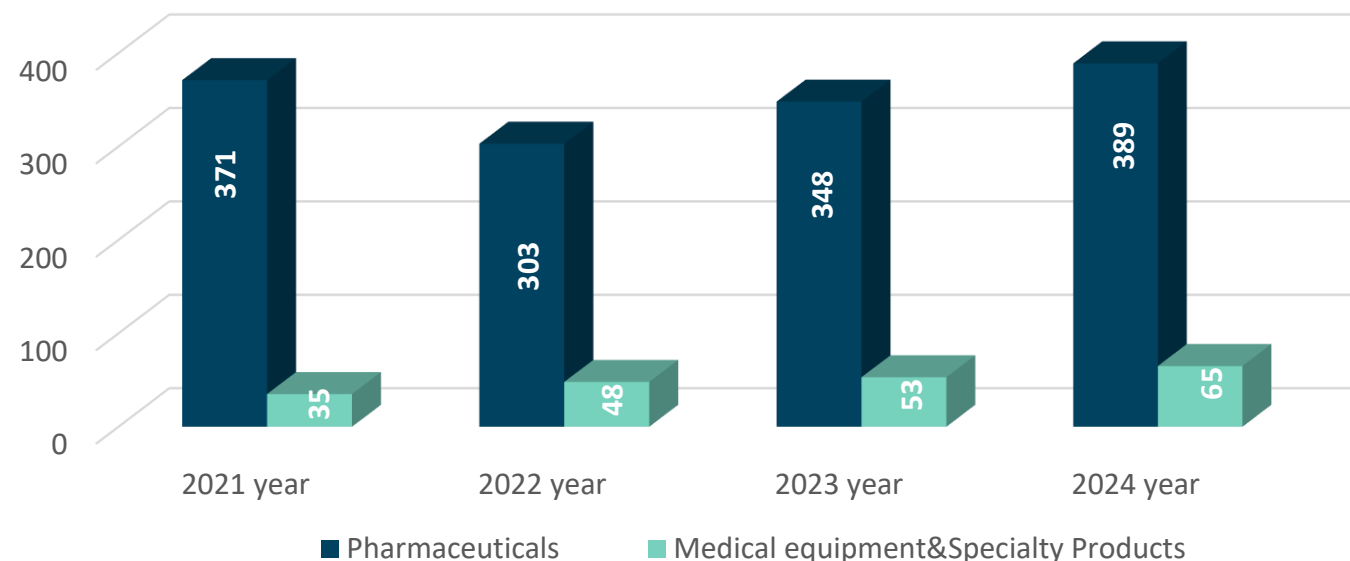
Ministry of Investment,
industry and trade
of the Republic of Uzbekistan

Market research on Johnson & Johnson products in Uzbekistan



Production of pharmaceuticals, medical equipment, and specialty products in Uzbekistan

Production of products (mln doll)



In recent years, Uzbekistan has demonstrated consistent and sustainable growth in both production and consumption, with:

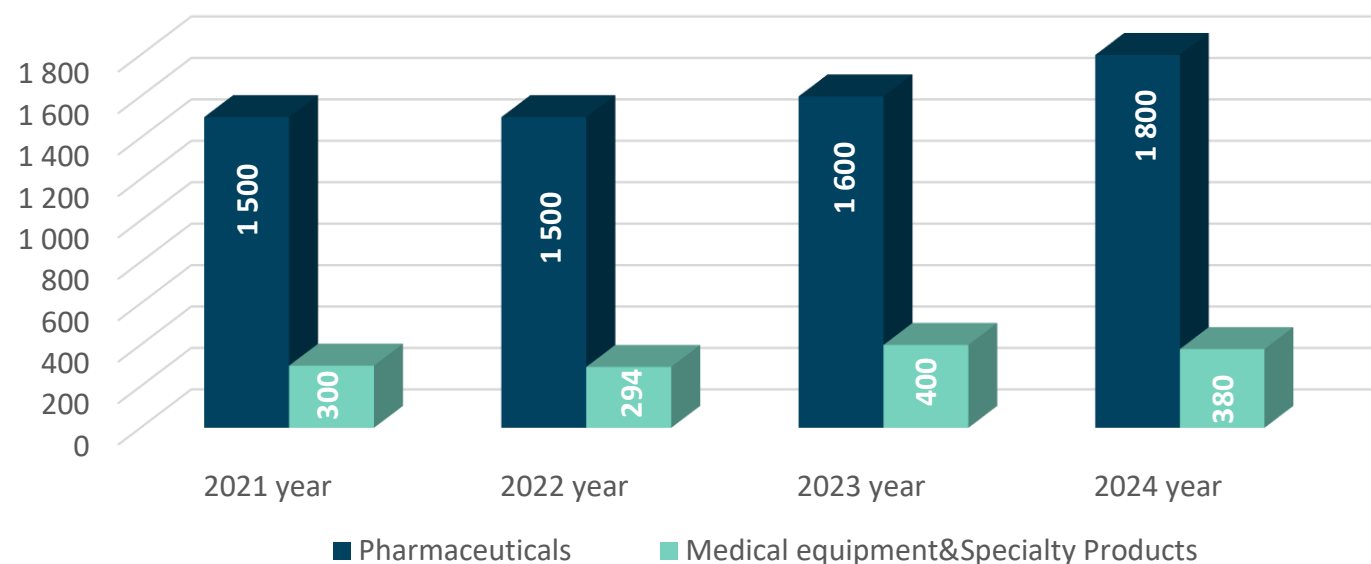
production rising from 406 mln doll in 2021 to 454 mln doll in 2024 and consumption increasing from 1800 mln to 2180 mln doll over the same period.

This upward trend is due to rising incomes, rising living standards and changing food preferences.

✓ **Steady growth in demand.** Annual production is increasing by an average of 90-95 mln doll, which creates significant business potential in the field of production, processing and sales.

✓ **State support:** Preferential loans, subsidies for the purchase of equipment for enterprises established in pharmaceutical parks and FEZs, and reimbursement of part of the costs of construction and modernization are provided..

Consumption of products (mln doll)

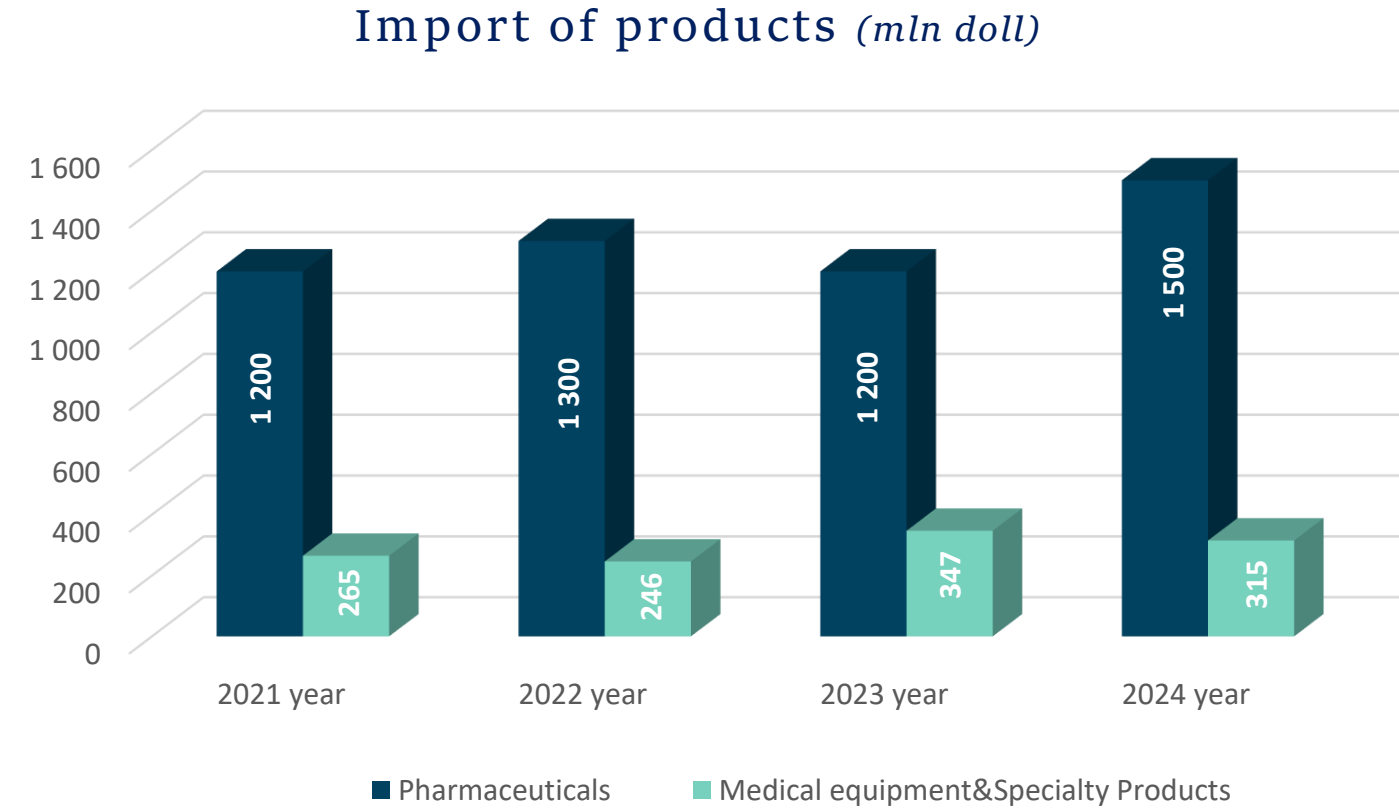
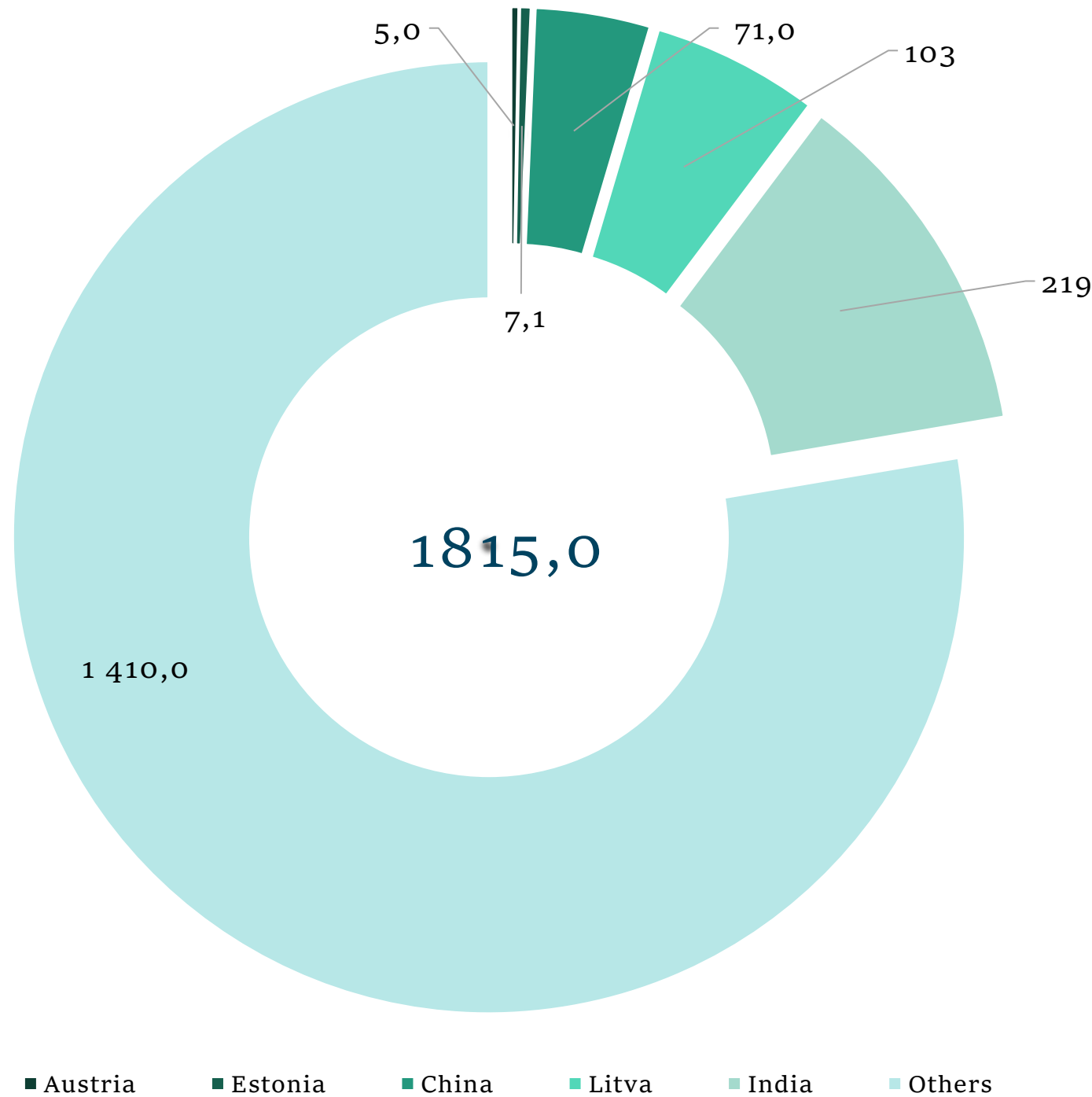


Main local producers

	Company name	Annual production
1	Jurabek Laboratories	\$49 561 029,65
2	Merrymed Farm	\$10 207 429,82
3	Nobel Farm	\$19 030 192,27
4	Nika Farm	\$15 774 729,07



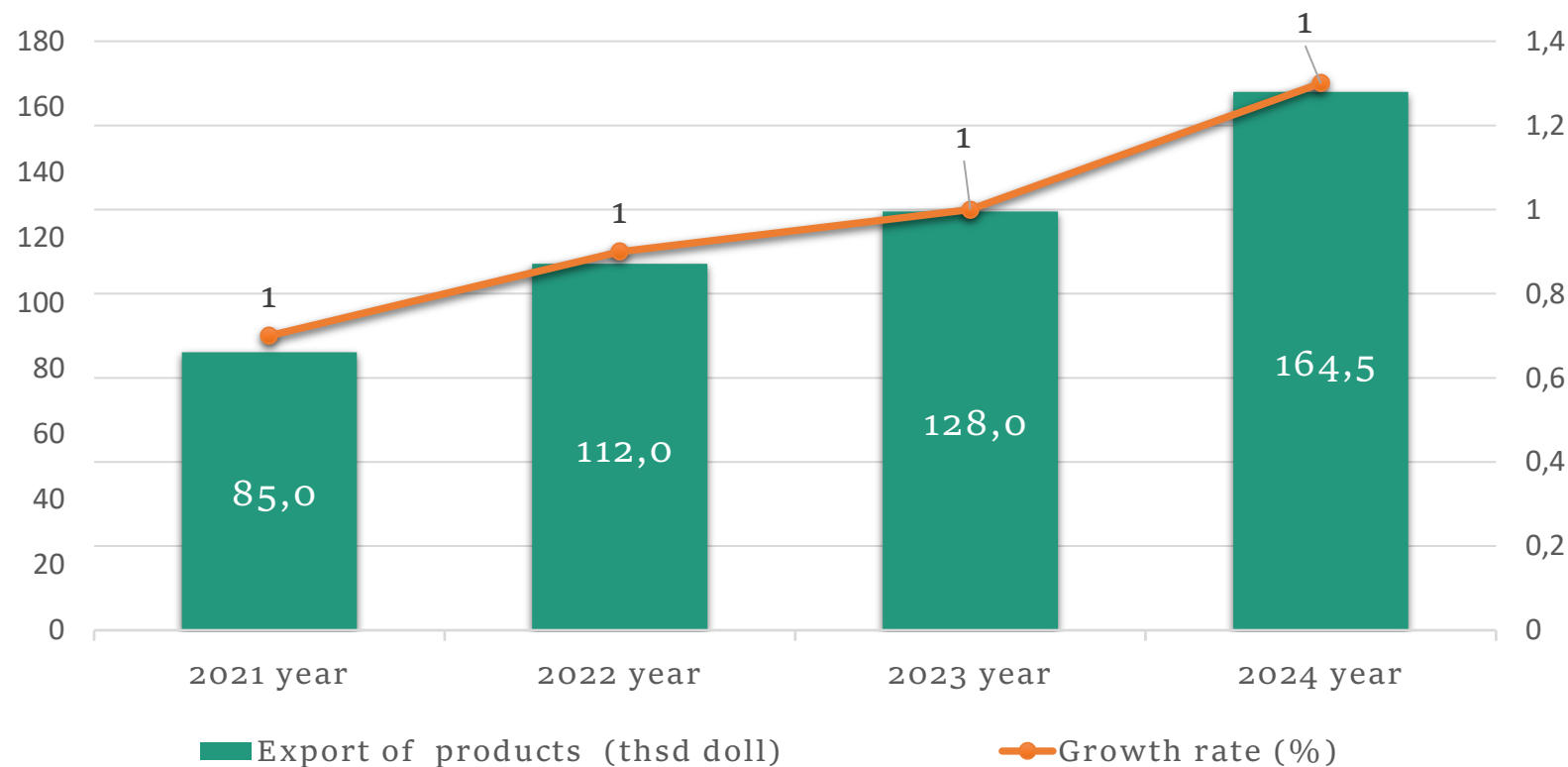
Import of pharmaceuticals, medical equipment, and specialty products to Uzbekistan



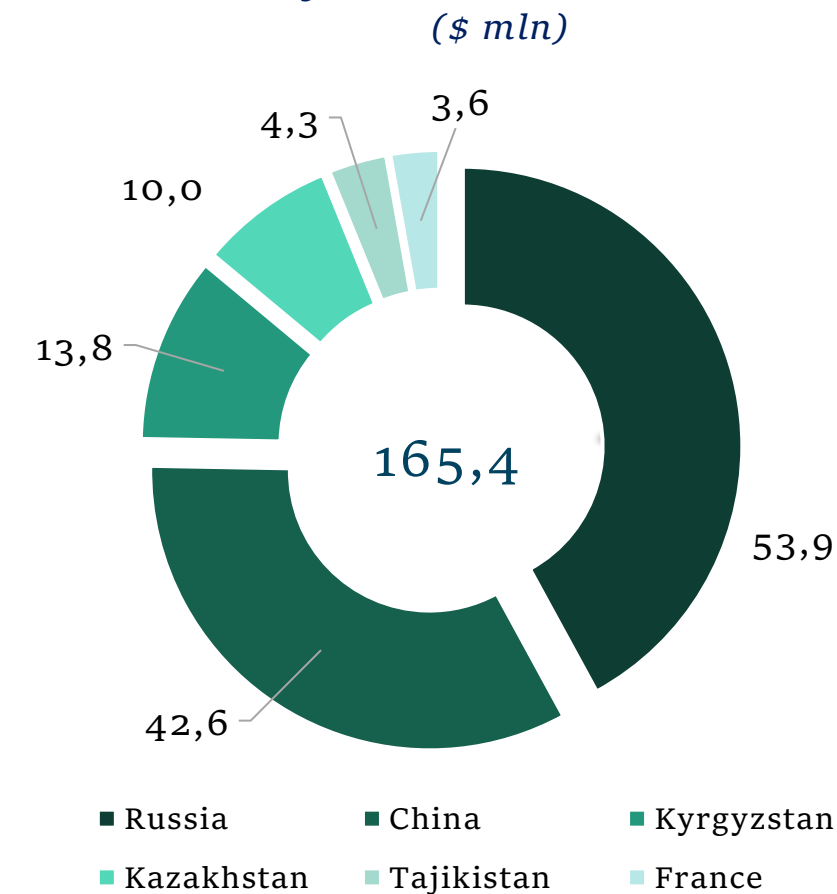
Uzbekistan's import of pharmaceuticals, medical equipment and specialty products has shown a sharp and steady increase over the past four years (2021 year 1465 thsd tons, 2024 year 1815 mln doll)

An increase in imports of nearly 20% from 2021 to 2024 indicates growing domestic demand and possibly gaps in local production capacity.

Export of products



Major countries 2024

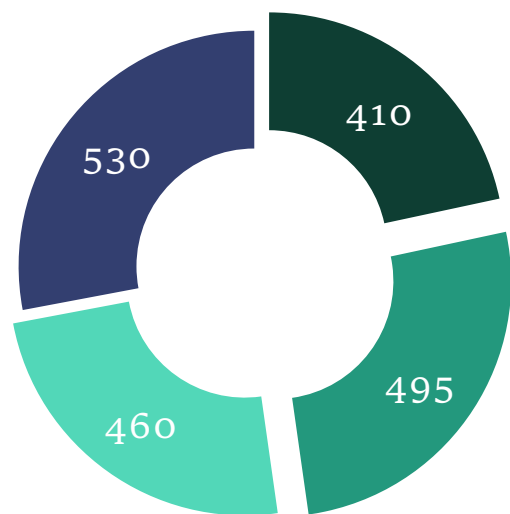


Export of pharmaceuticals, medical equipment, and specialty products from Uzbekistan is recorded in small volumes. The main importers of products are the CIS countries (+120 mln USD). Exports to Russia from Uzbekistan amounted to 54 mln USD, to China - 43 mln USD, to Kyrgyzstan - 14 mln USD.

The average volume of exports of pharmaceuticals, medical equipment, and specialty products from Uzbekistan amounted to 489,5 mln USD for 2021-2024. The maximum volume of exports occurred in 2024 and amounted to 164,5 mln USD, an increase of 128% compared to last year.

Pharmaceutical products sales analysis

Quarterly sales in 2024 (mln USD)



■ 1st quarter
 ■ 2nd quarter
 ■ 3rd quarter
 ■ 4th quarter

Total pharmaceutical products' sales: 1,9 bln USD in 2024.

Growth: A remarkable +10% quarterly growth demonstrates strong market vitality.

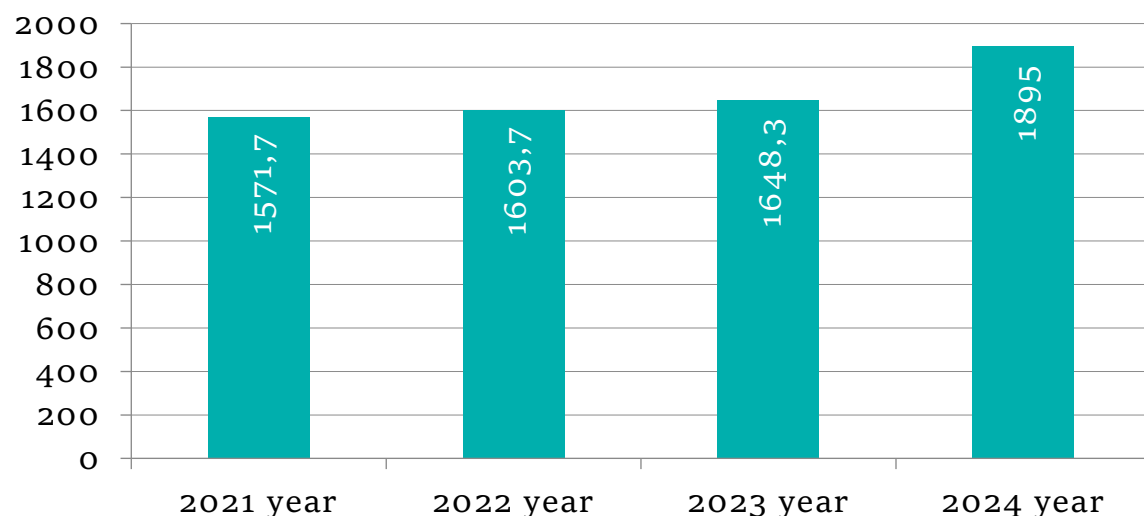
Key local markets: Tashkent, Samarkand, and Fergana are the primary consumption hubs.

Export potential: 165 mln USD exported, with promising opportunities for expansion into the Middle East and CIS regions.

Opportunity:

- high demand among local consumers;
- population growth +1 mln per year;
- export potential – Middle East and CIS countries.

Annually sales volume (mln USD)



Starting at 1,5 bln USD in 2021 year, annual sales climbed steadily to 1,9 bln USD by 2024 year, representing a 127% increase over three years.

This trend suggests:

Rising population and income levels may be fueling higher medicine consumption.

Improved cold chain logistics and supply chains are enabling greater market reach.

Seasonal factors and promotional activities might have played a role in boosting sales during late autumn and winter months.



Government support



Financial incentives

100% of the costs of registering one of the medicinal product by local manufacturing companies with the US Food and Drug Administration (FDA) or the European Medicines Agency (EMA) of the European Union will be covered.



Global business

50% of the costs incurred by domestic manufacturing companies in connection with the registration of pharmaceutical products abroad will be reimbursed.



Exhibition and fairs

Companies in the industry will receive a 100% advance payment to cover expenses related to participating with stands at prestigious international pharmaceutical exhibitions and fairs.



VAT

The deadline for payment of value-added tax calculated by business entities when importing goods into Uzbekistan will be extended by 120 days



Tashkent pharmaceutical park

- 0% corporate income tax for up to 10 years
- 0% customs duties on imported machinery and raw materials
- 0% property and land tax within the FEZ
- Simplified registration and permitting process for foreign investors



Infrastructure

Infrastructure development at state expense* (project cost over \$15 mln).



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Investment proposal:
Production of medical equipment,
medicinal and personal care products





Organization of production of medical equipment, medicinal and personal care products

Economic impact:

- Employment of more than 300 individuals is expected, including direct jobs, suppliers, and logistics services, particularly for highly qualified specialists involved in the production processes of medical equipment and care products.
- Due to the localization of production of essential and in-demand medical equipment, import dependency will be reduced, resulting in annual import cost savings of up to USD 50 mln.
- The enterprise, which is expected to be certified in accordance with international standards (EU GMP, WHO PQ), aims to export medical equipment to the CIS, the Middle East, and South Asia, with projected annual export revenues exceeding USD 50 mln.

Social impact:

- Creation of high-quality jobs with training in pharmaceutical standards, fostering a skilled healthcare industry workforce.

Location of the project



Project description:

1. A \$150 mln state-of-the-art pharmaceutical manufacturing and R&D facility located in Andijan Pharma Zone on 8 hectares.
2. Annual capacity of 132,5 mln dollars across three segments (pharmaceuticals – 30%, beauty and personal care products – 40%, medical equipment – 30%)
3. Certified to GMP, WHO PQ, and EU GMP standards with automated production lines and an advanced R&D unit.
4. Estimated annual revenue of \$155 mln; IRR 19,8%, NPV \$61,4 mln, Payback Period 3 years, ROI 77,5% over 10 years.

Economic indicators:



Financing: 150 mln USD



Area: 8 hectares



Revenue: \$160 mln/year



PP: 3 years



NPV: ~ \$61,4 mln



IRR: ~19,8%

Production indicators:



Medicinal products and pharmaceuticals: 30%



Beauty and personal care products: 40%



Medical equipment: 30%



Total production: 150 mln dollars



Certifications: GMP, WHO PQ, EU GMP



Manufacturing lines: Automated



R&D facility: Clinical research, formulations



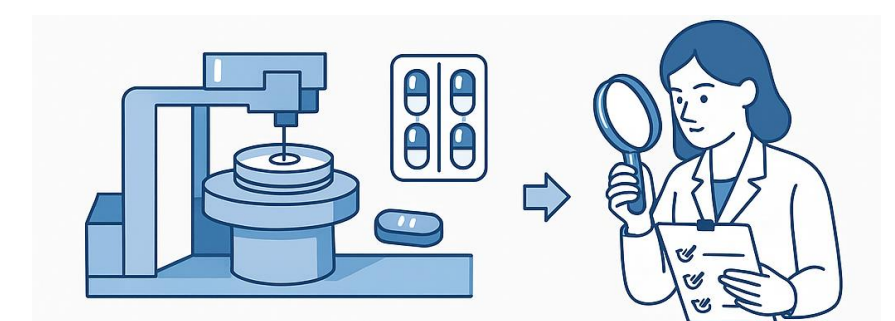
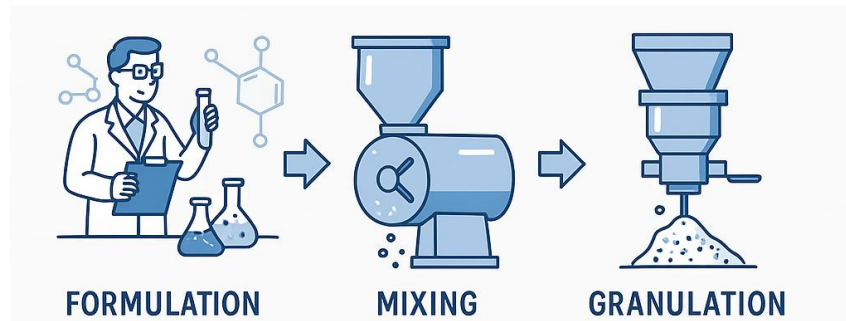
Medical equipment, medicinal and personal care products processing chain & product yield

Key production stages

1. Raw material handling & quality control
Receipt and inspection of active pharmaceutical ingredients (APIs) and excipients
Laboratory testing for purity, identity, and compliance with pharmacopeia standards
2. Formulation & blending
3. Dosage form manufacturing
Solid forms: tablet compression, capsule filling
Liquid forms: solution/suspension filling under sterile conditions
Vaccines/injectables: aseptic processing in clean rooms (Class A/B)
4. Packaging and labelling
5. Quality assurance & batch release
6. Storage & distribution

Product yield breakdown

	Product segment	Share (%)	Annual volume (mln dollars)	Example products
1	Medicinal products and pharmaceuticals	30%	37,5 mln	Tylenol, Motrin Sterile surgical instruments
2	Beauty and personal care products	40%	50 mln	Neutrogena, Clean & Clear, Aveeno, Johnson's Baby product line
3	Medical equipment	30%	72,5 mln	Diagnostic devices Disposable medical supplies
4	Total	100%	160,0 mln	





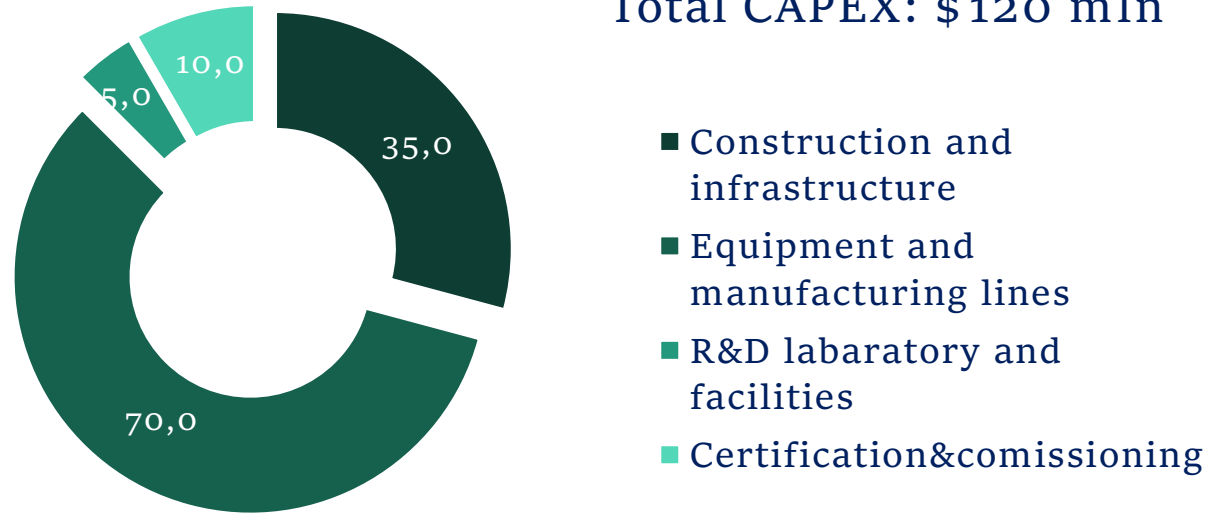
Project expenses

Initial Investment (CAPEX) (mln dollar)

Operating Costs (OPEX) (mln dollar)

Total CAPEX: \$ 120 mln

Total OPEX: \$ 64 mln



This financial overview outlines a comprehensive cost structure and strong profitability of the proposed pharmaceutical products manufacturing project. The breakdown includes both initial capital investment (CAPEX) and annual operating costs (OPEX), alongside projected revenue and profit estimates.

Product	Volume	Price (\$/pack, unit)	Revenue (\$)
Medicinal products and pharmaceuticals	7,5 packages	\$60	37,5 mln
Beauty and personal care products	15 mln unit	\$4-20	50 mln
Medical equipment	1,2 mln unit	\$10-10 000	72,5 mln
TOTAL			160 000 000

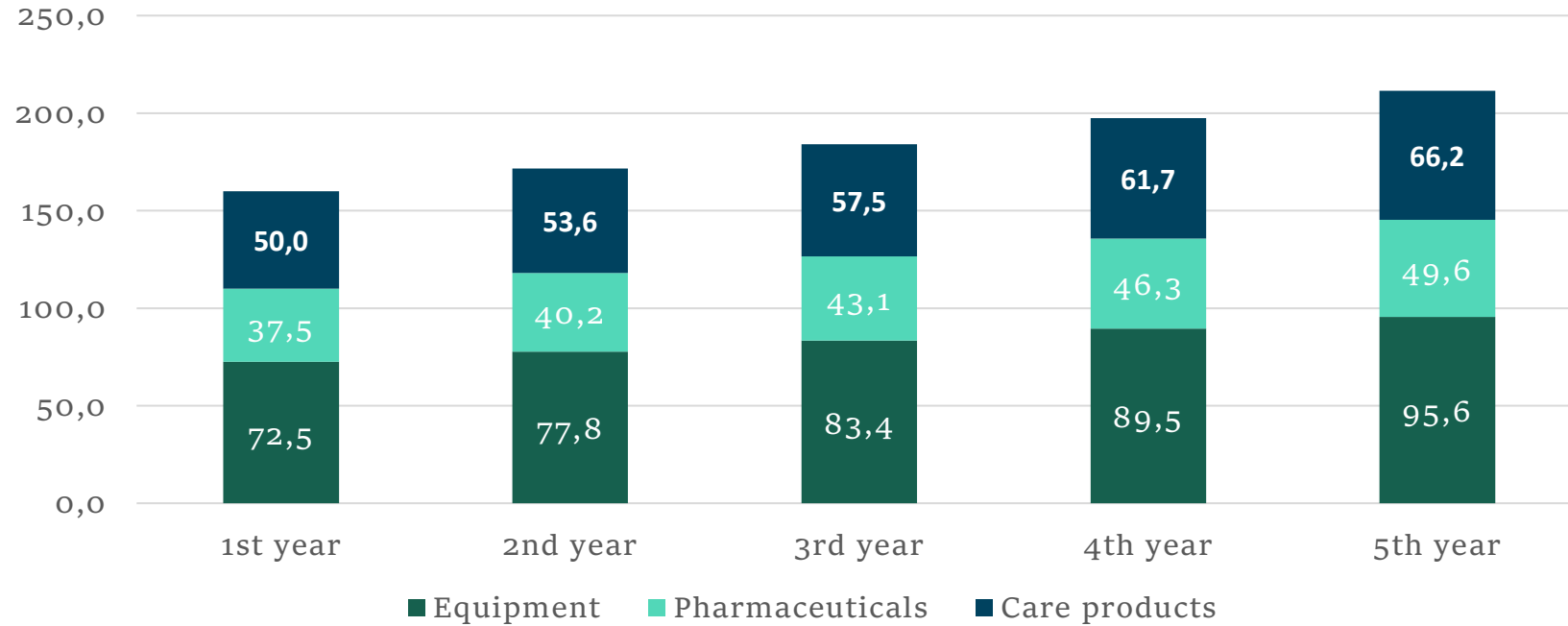
Annual EBITDA:
 $= \$160 \text{ mln} - \$64 \text{ mln} - \$22 \text{ mln} =$
\$ 74 mln

The project's strong profitability forecast is underpinned by efficient operations and high market demand, positioning it as a highly attractive investment.

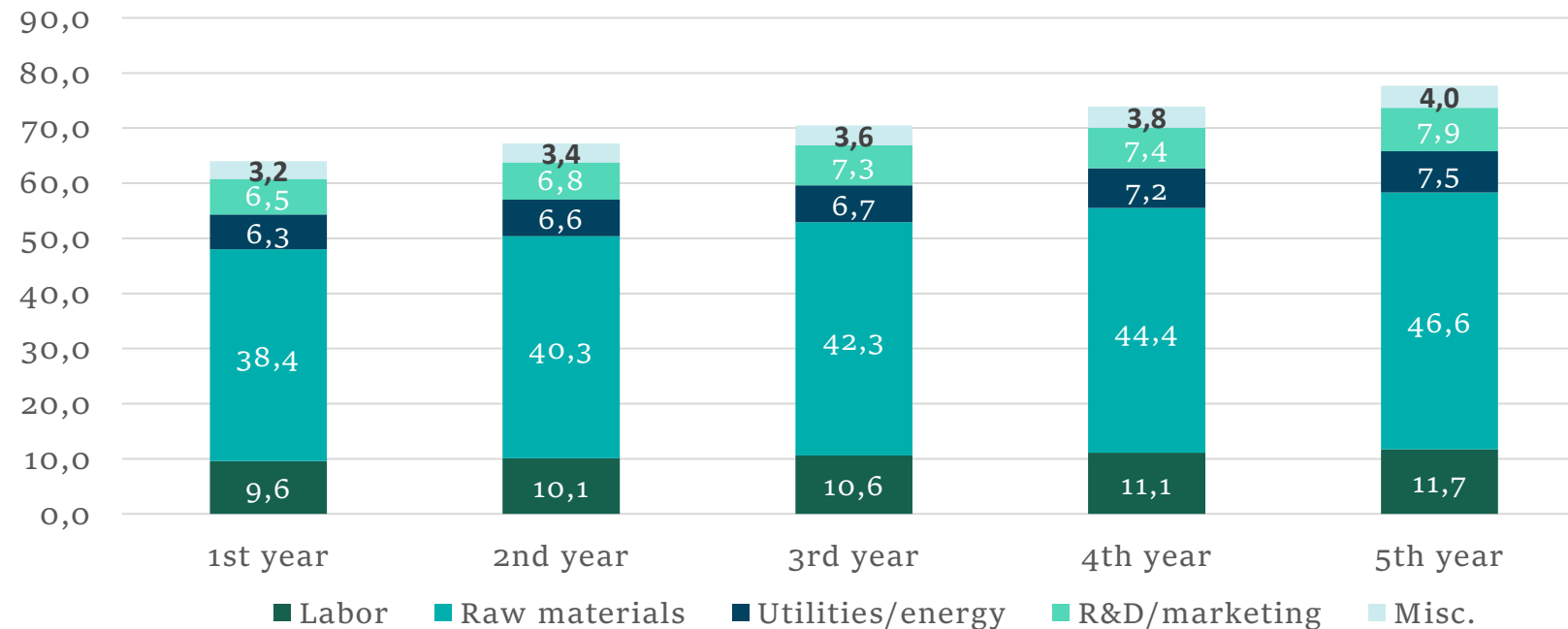


Financial indicators (5-year projection)

Revenues (mln dollars)



Operating expenses (mln dollars)



Breakeven: Achieved in year 5

Total 5-year cash flow: \$415,5M

EBITDA growth:

5% CAGR, reaching \$89,9M by Year 5.

NPV (10% discount rate):

NPV= \$211,4M - \$150M

= \$61,4 mln (*Highly favorable!*)

IRR (Internal rate of return): $\approx 19,8\%$

Payback period (PP):

= $150/50$ =

= 3 years

Profitability index (PI):

= $(NPV+CAPEX)/CAPEX = (\$61,4+\$150)/\$150$

= 1,4 years