

THE IMPACT OF REGULATORY POLICIES ON GEORGIA'S PHARMACEUTICAL MARKET

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RESUME

The pharmaceutical market plays a crucial role in both economic development and public health outcomes. The impact of regulatory frameworks, competition, and economic factors on the growth of the pharmaceutical sector is particularly significant in transitioning economies, including Georgia. A review of existing literature indicates that the efficiency of the pharmaceutical market is largely influenced by regulatory policies, pricing control mechanisms, and the involvement of international companies.

This study is based on a quantitative survey aimed at assessing the challenges and opportunities within Georgia's pharmaceutical market. The findings reveal that regulatory complexities, issues related to medication accessibility, and inefficiencies in distribution channels significantly affect the sector's operational environment. Furthermore, the influence of international pharmaceutical corporations and the competitive dynamics of the market present both opportunities and challenges for local companies. The study concludes that targeted policy reforms are necessary to optimize regulatory frameworks, foster market development, and enhance access to pharmaceutical products for the public.

Keywords: Pharmaceutical market, Pricing strategy, Regulatory policies.

INTRODUCTION

In today's global landscape, the pharmaceutical market emerges as one of the most crucial sectors, exerting a profound influence not only on the economy but also on public health outcomes. The advancement of technology is directly linked to the evolution of the pharmaceutical market, playing a vital role in strengthening the healthcare sector and ensuring a continuous supply of high-quality medications for consumers. The interplay of regulatory frameworks, market competition, and international trade dynamics further shapes this industry, making its development a focal point for both national and global economic growth [1, 2,3]

In Georgia, the pharmaceutical sector is currently undergoing a significant period of transformation, driven by multiple factors that operate at both local and international levels. These factors include shifts in regulatory policies, market entry strategies, and pharmaceutical pricing mechanisms. Examining the Georgian pharmaceutical market provides a unique opportunity to analyze a transitioning industry, shedding light on the distinctive characteristics that differentiate it from global trends.

Understanding the structure and dynamics of the Georgian pharmaceutical market is of paramount im-

portance to various stakeholders, including manufacturers, distributors, policymakers, healthcare professionals, and consumers. The insights derived from this research are essential for addressing the challenges associated with regulatory enforcement, competitive strategies, and the overall accessibility of healthcare services. Additionally, they offer valuable guidance for improving market efficiency, ensuring the availability of essential medicines, and fostering a more sustainable pharmaceutical ecosystem [4].

This study not only explores the current state of Georgia's pharmaceutical market but also contextualizes its position within the broader global framework. The pharmaceutical sector, characterized by rapid advancements and an ever-changing regulatory landscape, necessitates a comprehensive and in-depth analysis. By examining the specific challenges and opportunities within Georgia, this research contributes to a deeper understanding of how emerging markets can adapt to global pharmaceutical developments while maintaining a balance between regulatory compliance, market growth, and public health priorities.

DISCUSSION

The objective of this study is to examine the complexities of the pharmaceutical market in Georgia. Firstly, it seeks to conduct an in-depth analysis of the regulatory, economic, and competitive landscape based on existing literature on the pharmaceutical sector. The study comprehensively investigates how these factors shape market dynamics both globally and within Georgia. Secondly, the research aims to present empirical findings from a survey conducted in Georgia, assessing the current state of the pharmaceutical market. Through a comparative analysis between empirical conclusions and the reviewed literature, the study endeavors to provide a detailed understanding of the unique characteristics of Georgia's pharmaceutical sector and its alignment with or divergence from global trends.

A quantitative survey methodology was employed to collect up-to-date data from various stakeholders within Georgia's pharmaceutical market. The study involved a survey of 200 respondents, encompassing pharmaceutical manufacturers (10%), distributors (15%), healthcare and pharmaceutical professionals (25%), and consumers (50%). This diverse dataset offers a multifaceted perspective on the market's current dynamics, regulatory burdens, competitive strategies, and other relevant issues. The comprehensive analysis of survey responses provides a deeper insight into the challenges and opportunities shaping Georgia's pharmaceutical landscape.

One of the primary concerns identified by respondents is the presence of regulatory barriers, with 40% of participants citing regulatory constraints as a significant impediment to market growth. These barriers are linked to existing legal frameworks and, in some cases, the insufficient expertise of regulatory personnel. This finding underscores the perception that Georgia's healthcare regulatory framework may hinder rather than facilitate the development of the pharmaceutical sector. Furthermore, 40% of respondents assessed the impact of regulations on pharmaceutical institutions as negative, highlighting the need for a critical reassessment of policy frameworks and potential reforms to enhance regulatory practices in alignment with public health objectives.

Pricing strategies, shaped by regulatory policies, emerge as another crucial factor influencing pharmaceutical product prices, with 45% of respondents emphasizing this aspect. This concern reflects a broader issue regarding the role of regulatory environments in determining medication accessibility. While regulatory measures aim to ensure affordability and quality control, the survey findings indicate that strict policies may also pose significant obstacles to the introduction of new pharmaceutical products. Notably, 60% of respondents acknowledged that regulatory restrictions impede the import of medications into the Georgian market, ultimately leading to periodic drug shortages. Additionally, 30% of respondents identified inefficiencies within distribution channels, attributing these shortcomings to strict regulatory requirements, which further restrict pharmaceutical product accessibility for consumers.

The competitive landscape of Georgia's pharmaceutical market is perceived by 35% of respondents

as moderately competitive. This finding suggests a dynamic market where companies must navigate stringent regulatory conditions while maintaining a competitive edge. The influence of international pharmaceutical corporations is particularly notable, with 60% of respondents recognizing the significant impact of foreign entities on the local market. While foreign investment and participation can drive innovation and improve drug availability, they may also introduce challenges for local companies striving to compete under the prevailing regulatory and market conditions. This dual effect underscores the necessity of strategic policy measures that balance foreign engagement with the support of domestic pharmaceutical enterprises.

Strategic regulatory reforms were identified by 50% of respondents as a critical factor in improving healthcare outcomes in Georgia. Key recommendations include enhancing the qualifications of regulatory personnel and aligning regulatory requirements with the realities of the Georgian market. Many stakeholders expressed the need for regulatory bodies to establish closer collaboration with industry participants, fostering a cooperative approach to policy development. This collaboration is viewed as essential to ensuring that pharmaceutical market regulations do not impose unrealistic requirements that could hinder sectoral growth.

The findings of this study present a complex portrait of Georgia's pharmaceutical sector, characterized by significant regulatory challenges and competitive pressures. Notably, regulatory constraints tend to disproportionately affect smaller pharmaceutical companies, which often struggle to comply with stringent requirements, thereby limiting their market presence. These challenges underscore the urgent need for policy reforms, industry adaptation, and strategic shifts aimed at fostering a more dynamic, innovative, and accessible pharmaceutical sector that better serves the healthcare needs of the Georgian population.

Through a detailed analysis of existing data, the study identifies potential pathways for achieving sustainable growth within Georgia's pharmaceutical market. By comparing survey findings with academic literature, the study highlights the multifaceted nature of market challenges and the pressing necessity for systemic changes. Within Georgia's complex pharmaceutical ecosystem, the research underscores regulatory obstacles as the primary barriers to sectoral development and operational efficiency. A significant proportion of respondents (40%) explicitly identified regulatory burdens as the foremost issue, with regulatory frameworks negatively impacting pharmaceutical institutions—a challenge that requires immediate and targeted intervention.

Urgent and substantive regulatory reforms are necessary to unlock the growth potential and innovation capacity of the pharmaceutical sector. The convergence of empirical research data and academic discourse presents a critical consensus among industry stakeholders, researchers, and policymakers regarding the need for regulatory optimization. The study advocates for collaborative efforts to restructure regulatory frameworks, creating an environment that supports industry growth while maintaining public health safeguards.

The acknowledgment of regulatory influence on pharmaceutical pricing strategies by 45% of respondents further highlights the intricate balance between ensuring the financial viability of pharmaceutical companies and fulfilling the ethical imperative of medication accessibility. The survey also reveals the substantial role of international pharmaceutical companies (60%) and the moderate level of market competition, findings that align with academic perspectives on Georgia's pharmaceutical market dynamics. While foreign investments and involvement offer opportunities for innovation and resource infusion, they may also present challenges for local market development and competitiveness. Addressing this dual impact requires a balanced approach that fosters innovation while supporting domestic industry players.

From a broader perspective, the study underscores the fundamental importance of a supportive regulatory framework as a prerequisite for market stability, healthcare improvements, innovation, and

growth. The comparative analysis between research findings and existing literature highlights the intricate interconnections between regulatory obstacles, pricing strategies, inefficient distribution systems, and the influence of international pharmaceutical corporations. These insights offer a roadmap for policy reforms, market practices, and strategic initiatives aimed at maximizing the potential of Georgia's pharmaceutical sector, ultimately contributing to enhanced public health outcomes.

In conclusion, the detailed examination of regulatory challenges, pricing mechanisms, distribution inefficiencies, and competitive dynamics underscores the urgency of reform in Georgia's pharmaceutical sector. Addressing these challenges through evidence-based policy interventions, strategic industry adaptations, and regulatory improvements will be critical to fostering a robust, efficient, and accessible pharmaceutical market. By aligning regulatory frameworks with market realities and international best practices, Georgia can create a more conducive environment for pharmaceutical innovation, investment, and equitable healthcare access. The study's findings serve as a clarion call for multi-stakeholder collaboration in reshaping regulatory policies, ensuring that the pharmaceutical sector evolves in a manner that best serves public health objectives and economic sustainability.

CONCLUSION

A significant convergence between literature data and survey responses highlights regulatory challenges as the primary obstacle hindering the growth and efficiency of the pharmaceutical market in Georgia. Both sources emphasize the critical necessity of regulatory reforms to establish a more favorable environment for sector operations and innovation. The regulatory framework has a profound impact on pricing strategies, directly influencing the accessibility of medicines for Georgian consumers.

Distribution channels have been identified as a crucial area requiring strategic improvements. Inefficiencies within these channels hinder the timely and effective delivery of pharmaceutical products, affecting overall market accessibility and patient outcomes. Addressing these inefficiencies through enhanced logistics, streamlined supply chains, and transparent distribution policies is essential for ensuring a more robust and reliable pharmaceutical infrastructure.

The influence of international pharmaceutical companies on the Georgian market was a prominent finding in the research, resonating with literature discussions on the competitive landscape. This dynamic presents both challenges and opportunities for local market development, necessitating a balanced approach that fosters fair competition while supporting domestic pharmaceutical enterprises.

Strengthening regulatory frameworks remains the cornerstone strategy for improving healthcare outcomes through the pharmaceutical sector. A well-structured regulatory environment will not only enhance market efficiency and competitiveness but also ensure greater access to essential medications, ultimately contributing to a more sustainable and patient-centered healthcare system in Georgia.

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მარეგულირებელი პოლიტიკის გავლენა საქართველოს ფარმაცევტულ ბაზარზე

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რეზიუმე

ფარმაცევტული ბაზარი მნიშვნელოვან როლს ასრულებს როგორც ეკონომიკურ, ასევე საზოგადოებრივ ჯანმრთელობასთან დაკავშირებულ პროცესებში. რეგულირების, კონკურენციისა და ეკონომიკური ფაქტორების ზეგავლენა ფარმაცევტული სექტორის განვითარებაზე განსაკუთრებით მნიშვნელოვანია გარდამავალი ეკონომიკის მქონე ქვეყნებში, მათ შორის საქართველოში. არსებული ლიტერატურის მიმოხილვა მიუთითებს, რომ ფარმაცევტული ბაზრის ეფექტურობა მნიშვნელოვნად არის დამოკიდებული რეგულატორულ ჩარჩოებზე, ფასების კონტროლის მექანიზმებზე და საერთაშორისო კომპანიების ჩართულობაზე. კვლევა ეფუძნება რაოდენობრივ გამოკითხვას, რომელიც მიზნად ისახავს საქართველოს ფარმაცევტული ბაზრის გამომწვევებისა და შესაძლებლობების შეფასებას. კვლევის შედეგები ცხადყოფს, რომ რეგულირების სირთულეები, მედიკამენტების ხელმისაწვდომობის პრობლემები და სადისტრიბუციო არხების ხარვეზები მნიშვნელოვნად მოქმედებს სექტორის ოპერაციულ გარემოზე. გარდა ამისა, საერთაშორისო ფარმაცევტული კომპანიების გავლენა და ბაზრის კონკურენტული დინამიკა ქმნის როგორც შესაძლებლობებს, ასევე დაბრკოლებებს ადგილობრივი კომპანიებისთვის. კვლევის დასკვნები მიუთითებს იმაზე, რომ საჭიროა მიზანმიმართული პოლიტიკის რეფორმა, რომელიც უზრუნველყოფს რეგულირების ოპტიმიზაციას, ბაზრის განვითარებას და საზოგადოებისათვის მედიკამენტების ხელმისაწვდომობის გაუმჯობესებას.

საკვანძო სიტყვები: მარეგულირებელი პოლიტიკა, საფასო სტრატეგია, ფარმაცევტული ბაზარი.