



Establishing Pharmacy in Nepal: A Practical Guide for Fresh Graduates

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SUMMARY

Establishing a pharmacy in Nepal presents an exciting yet challenging venture for fresh graduates. The journey involves navigating regulatory hurdles, managing inventory, and building strong supplier relationships. With proper guidance on market dynamics, licensing, and technology adoption, aspiring pharmacists can successfully contribute to the healthcare system while creating a thriving business.

INTRODUCTION

Pharmaceutical science has recently become an emerging field of interest for many students. In Nepal, many students graduate yearly with diplomas and bachelor's programs.

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Fresh graduates opt for various fields after completing their degree, including marketing, teaching, pharmacy practice in the community, hospitals, industries, jobs in the government

sector, and entrepreneurship through pharmacy establishment.¹ Recent trends show that many graduates have been interested in opening their pharmacy. Establishing a pharmacy in Nepal is a promising business opportunity and a vital contribution to the nation's healthcare infrastructure. However, navigating the regulatory, logistical, and operational aspects of setting up a pharmacy in Nepal can be complex.² This article delves into the pressing need for practical guidance and insights for those aspiring to establish pharmacies in Nepal. By exploring the regulatory framework, market dynamics, and essential considerations, we aim to provide a bird eye view and train fresh graduates to establish retail pharmacy shops in Nepal.

VARIOUS ASPECTS OF ESTABLISHING A PHARMACY IN NEPAL

Overview of the pharmaceutical market

The global pharmaceutical market has been growing at an annual rate of 5.8% since 2017, reaching \$1,462 billion in 2021.³ North America occupies the largest revenue share at 48.9%.⁴ Emerging markets like China are also seeing high growth rates. The pharmaceutical market in Asia is significant, with India and Bangladesh being the major players. Nepal's domestic pharmaceutical market is valued at Rs 53 billion, with imports accounting for 54.5 % of the total market share.⁵

Challenges faced by the pharmacy

The challenges faced by the pharmacy business are:^{6,7}

- **Regulatory obstacles:** obtaining permits, licenses, recommendation letters, and approvals from regulatory bodies can be lengthy and expensive.
- **Inventory management:** Managing a wide range of pharmaceutical products with varying expiry dates while ensuring stock availability can be challenging for pharmacies.
- **Market Competition:** Competing in a well-established market with established pharmacies that benefit from economies of scale and strong brand recognition can often be a struggle for new emerging pharmacies.

- **Financial Management:** Independent pharmacies frequently face challenges managing debt, cash flow, and inventory. These issues can result in liquidity shortages and adversely affect the business's financial health.

Regulatory environment

Any person/ pharmacist willing to establish a pharmacy should have prior knowledge and understanding of the acts, rules, and regulations concerned by various regulatory authorities.

License and permits

Licenses and permits are essential to establish a pharmacy. License while establishing a pharmacy includes the license registered by the Nepal Pharmacy Council to a Bachelor in Pharmacy or a diploma in Pharmacy graduate.⁸

If you want to open a community pharmacy under the sole proprietorship, a license of a registered pharmacist is required. If you want to open a Pvt. Ltd company or partnership firm, you need to acquire a registration number from the Company Registration Office and then upload the required documents in DAMS, along with the license of the chief pharmacist.⁹

For community pharmacy:

- a. Just one license of pharmacist or assistant pharmacist is needed.

For Hospital pharmacy:¹⁰ As shown in Table 1.

Table 1: Minimum human resource for the establishment of hospital pharmacy.

No.	Hospital/Health Institution	Clinical Pharmacist	Pharmacist	Assistant Pharmacist	Helper
1	Hospital with more than 100 beds	1	3	6	2
2	Hospital with 51 to 100 beds	1	2	4	2
3	Hospital with 26 to 50 beds	-	1	2	1
4	Hospital with 15 to 25 beds	-	-	2	1

Note: Clinical pharmacist refers to the person who completed post-graduation in clinical pharmacy, pharmaceutical care, or PharmD following B Pharmacy.

Supplier management

Establishing a pharmacy involves a comprehensive supplier management strategy to ensure a steady and reliable supply of medications, medical equipment, and other necessary products. Effective supplier management includes selecting reliable suppliers, negotiating favorable terms, and maintaining strong relationships. Here's a guide to managing suppliers while establishing a pharmacy:¹¹

Identifying and Selecting Suppliers:

Conduct comprehensive research about pharmaceutical manufacturers, wholesalers, distributors, and local suppliers.

Evaluation Criteria:

Evaluate the potential suppliers based on product quality, reliability, cost, and regulatory compliance of suppliers.

Establishing Relationships:

a. Initial Contact:

- Reach out to potential suppliers for quotes and terms.
- Request samples to assess the quality of products.
- b. Negotiation:
 - Discuss terms of payment, delivery schedules, and minimum order quantities.
 - Negotiate for better prices, discounts, or favorable credit terms.
- c. Agreements:
 - Draft clear contracts outlining all terms and conditions.
 - Include clauses for dispute resolution, returns, and quality assurance.

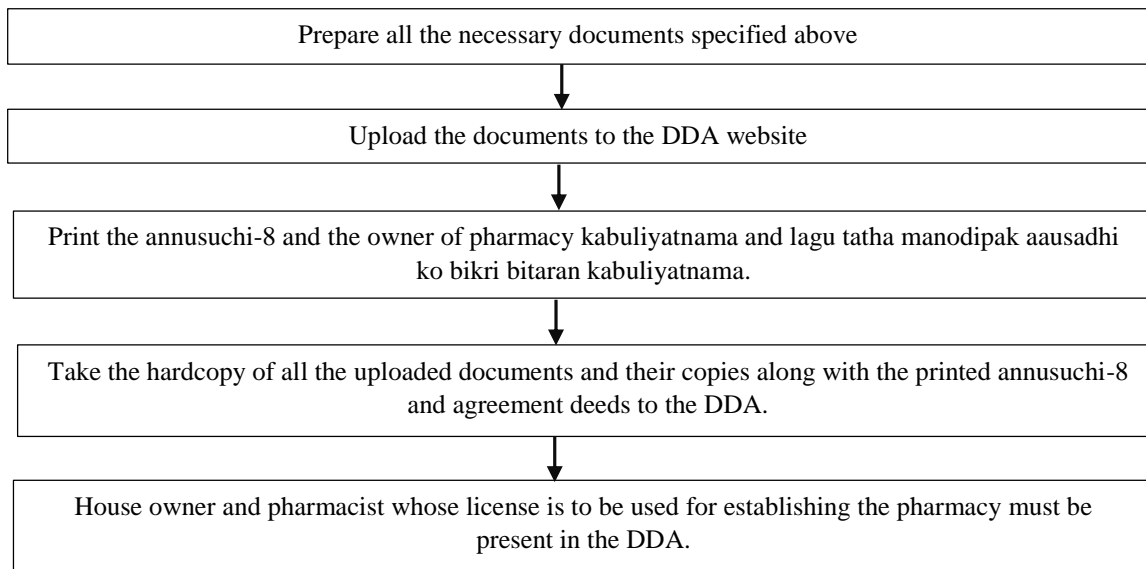
Technology and equipment while establishing a pharmacy

Pharmacy Management Software and its Benefits: Streamlines operations, improves accuracy, enhances patient safety, and supports regulatory compliance. Some of the pharmacy management software which are commonly used in Nepal are:¹² Medipro; Midas; Healthsoft; E pharmacy.

Process of registering pharmacy in Nepal

Documents required¹³

1. D. Pharmacy or B. Pharmacy certificate and character certificate.
2. Transcript/Marksheet of pharmacy degree
3. NPC Registered Certificate (Most needed)
4. Owner's citizenship card
5. SLC/SEE Certificate, Marksheet and character certificate
6. House owner Lalpurja, citizenship card. water/electric bill.
7. Map (Sketched by hand on A4 size or any plane paper in which name, address, phone number, email address, and signature.
8. House rent agreement paper.



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