

Drugmaker Takeda Completes \$96M Factory

By [The Moscow Times](#)

September 11, 2012



Takeda Pharmaceutical has just completed construction of a \$96 million manufacturing facility in Yaroslavl. Above, Takeda's corporate headquarters in Tokyo.

Takeda Pharmaceutical, Japan's top drugmaker, aims to outgrow rivals in the Russian market with the help of a manufacturing facility in Yaroslavl, construction of which was just completed.

The plant was built at a cost of 75 million euros (\$96 million).

"It anchors us firmly as one of the leading pharmaceutical companies in Russia," said Frank Morich, who is responsible for all Takeda sales outside Japan.

Takeda put a big bet on emerging markets when it bought Swiss-based Nycomed for some \$13 billion last year, and the company is now the seventh-largest drugmaker in Russia by sales.

"We want to defend this position and, if possible, extend it. And for this, we need to be

a serious player with a local production base," Morich said.

IMS Health expects the Russian drug market to grow 11 percent annually between 2012 and 2016. Takeda plans to outstrip that, with annual growth of 15 percent over the same period.

Most multinational drugmakers have embarked on a similar push into emerging markets, raising some concerns among investors that profit margins could fall as the industry sells cheaper products in lower-income countries.

Morich, however, said he was confident that margins in these fast-expanding markets would grow.

"The margin in emerging markets is already pretty high in certain countries, and in other cases we are working hard to make it go up," he said.

Across the group, Takeda is targeting an increase in EBITDA margins from current levels of about 30 percent to the mid-30s or 40 percent.

"We can't do that without a significant margin contribution from emerging markets," Morich said.

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