



# PHARMACEUTICALS



# SECTOR HIGHLIGHTS

## CURRENT SCENARIO

Market size:  
**USD 36 Bn**

Market Growth Rate:  
**7-8%**

FDI Inflows:  
**USD 16.2 Bn**  
(April 2000 – September 2019)

Pharma Exports:  
**USD 18.3 Bn**

Over  
**60,000**  
generic brands across  
60 therapeutic categories

### India's Ranking:

- Exports:  
**20%**  
of global generics by volume,  
making it the largest provider  
of generic medicines globally
- Indian pharmaceuticals market:  
**3<sup>rd</sup>**  
in terms of volume (10 % of  
the global industry) and  
**14<sup>th</sup>** in terms of value
- Major Segments:  
Generic Drugs, OTC Medicines  
and Patented Drugs
- Department of Pharmaceuticals  
announced plans to establish  
Pharma parks & clusters  
in various States
- Indian pharmaceuticals  
are exported to multiple  
countries
- Leader in  
global supply of  
DPT, BCG and  
Measles vaccines

## FUTURE POTENTIAL

Indian pharmaceutical  
market is expected to reach  
**USD 100 Bn**  
by 2025

**Focus States:**  
Gujarat, Telangana,  
Andhra Pradesh,  
Karnataka, and  
Himachal Pradesh



# GROWTH DRIVERS

## A. Demand-side Factors

### Accessibility

- Over **USD 200 Bn** to be spent on medical infrastructure in the next decade
- Over **160,000** hospital beds expected to be added each year in the next decade

### Affordability

- **Rising income**  
~73Mn households expected to shift to the middle class with over the next 10 yrs
- **Ayushman Bharat**  
The National Health Protection Scheme is the largest government funded healthcare program in the world, which is expected to benefit 100 Mn poor and vulnerable families in the country by providing a cover of up to INR 5 lakh (~USD 6900) per family per year for secondary and tertiary care.
- Availability of affordable medicines under the **Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP)**  
has led to 50-90% savings for Indian citizens and made generic medicines easily available through the PMBJP Kendras across the country

### Epidemiological Factors

- Patient pool expected to increase over **20%** in the next 10 years, given population growth and lifestyle changes
- New diseases & lifestyle changes to boost demand for drugs and devices

### Medical Tourism

- Medical tourism industry expected to grow to **USD 13.3 Bn** by 2022

## B. Supply-side Factors

### Patented Drugs

- Following the introduction of product patents, several multinational companies are expected to launch patented drugs in India
- Patents for branded molecules with cumulative global sales of over **USD 251 Bn** are expected to expire between 2018 and 2024, giving opportunities to Indian pharmaceuticals

### Medical Infrastructure

- Pharma companies have increased spending to tap rural markets and several state governments have launched medical device and pharma parks

# B. Supply-side Factors

## Cost Efficiency

- India’s cost of production is nearly **33%** lower than that of the US with labour costs 50–55 % lower than western countries

## Talent Pool

- India is the **2<sup>nd</sup> largest** provider of pharma and biotech professionals in the world, after China. Other leading countries include USA & Brazil



# POLICY SUPPORT & INCENTIVES

## 1 FDI Policy

- | 100% under automatic route for greenfield projects
- | 100% under government route for brownfield investments
- | 74% under automatic route for brownfield investments

## 2 Skill Development

- | Transformation of National Institutes of Pharmaceutical Education & Research (NIPERS) to Innovation Hubs focused on becoming centers of excellence for advanced research in pharmaceutical studies
- | Currently 7 NIPERs are functioning in the states of Ahmedabad, Guwahati, Hajipur, Hyderabad, Kolkata, Mohali and Raebareli

## 3 National Intellectual Property Rights Policy (2016)

- | The policy is entirely compliant with the WTO's agreement on TRIPS

## 4 Pradhan Mantri Bhartiya Janaushadhi Pariyojana ( PMBJP) (2008)

- | Making quality medicines available at affordable prices through exclusive outlets "Pradhan Mantri Bhartiya Janaushadhi Kendras"
- | Product basket covers more than 800 medicines and 154 surgicals & consumables

## 5 Similar Biologics Guidelines (2016)

- | Regulatory pathway regarding manufacturing process and safety, efficacy and quality aspects for similar Biologics
- | Pre-market regulatory requirements including comparability exercise for quality, preclinical and clinical studies and post market regulatory requirements

## 6 National Health Policy (2017)

- | Aimed at attainment of highest possible level of health and well-being for all through a preventive and promotive health care orientation in developmental policies, and universal access to good quality health care services
- | Increasing access, improving quality and lowering the cost of healthcare delivery





# SECTOR OPPORTUNITIES

## 01 Active Pharmaceutical Ingredients/ Bulk Drugs

- 500+ APIs manufactured in India and exported to other countries
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## 02 Generics

- Generic drugs account for 20% of global exports in terms of volume, making India the largest provider of generic medicines globally
  - India's cost of production is nearly 33% lower than that of the US with labour costs 50–55% cheaper than in Western countries
  - India's generics drug market accounts for around 70% of the India pharmaceutical industry and it is expected to reach USD 27.9 Bn by 2020
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## 03 Vaccines

India currently exports vaccines to about 150 countries. 80% of the global ARVs to combat AIDS are supplied by Indian firms

## 04 Contract Manufacturing and Research

India has a sustainable competitive advantage due to a large, technically knowledgeable workforce, WHO-GMP approved production premises and a substantially (40%) lower cost of operation and production. There are 1000+ players in this sector in India

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## 05 Biosimilars

There are 70+ approved biosimilar products in India and the domestic market is expected to reach USD 2.2 Bn by 2025. Multiple biologic drugs are expected to go off patent—creating an opportunity for biosimilar products



# KEY STAKEHOLDERS

	<b>Department of Pharmaceuticals (DoP)</b>
	<b>Central Durg Standards Control Organization (CDSCO)</b>
	<b>National Pharmaceutical Pricing Authority (NPPA)</b>
	<b>Organisation Of Pharmaceutical Producers of India (OPPI)</b>
	<b>Indian Pharmaceutical Alliance (IPA)</b>

# INDUSTRY CLUSTERS/ZONES

## PHARMACEUTICAL CLUSTERS



# KEY PLAYERS IN INDIA



Sun Pharmaceuticals  
Industries Ltd



Lupin Ltd



Aurobindo  
Pharma Ltd



Cipla Ltd



Dr.Reddy's

Dr Reddy's  
Laboratories



Mylan NV



Glenmark  
Pharmaceuticals Ltd



GlaxoSmithKline  
Pharmaceuticals Ltd



TEVA Pharmaceuticals  
Industries Ltd



MSD



Sanofi







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