

PHARMACEUTICALS



Indian pharmaceuticals- a formula for success

India is the largest provider of generic medicines globally, occupying a 20% share in global supplies by volume. The country is home to 3,000 pharma companies with a strong network of over 10,500 manufacturing facilities. The cost of production in India is around one-third of that in the US and almost half of that in Europe.

India is the source of 60,000 generic brands across 60 therapeutic categories and manufactures more than 500 different Active Pharmaceutical Ingredients (APIs). The export of generic drugs is one of India's core strengths. The export of Pharmaceuticals stood at \$ 16.3 bn in 2015-16.

Pharma exports recorded CAGR of 11.9% for a decade ending 2015-16

Third largest Pharmaceuticals market by 2020 in terms of incremental growth

100% Foreign Direct Investment (FDI) is allowed under the automatic route for greenfield pharma.

100% FDI is allowed in brownfield pharma; wherein 74% is allowed under the automatic route and thereafter through government approval route

For further details, please refer [FDI Policy](#)

Contribution in Indian Economy

Generics
medicines
exports
share
(global)-
20%

Contribution
in overall
exports-
11.9%

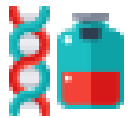
Generic
drugs
revenue
share- 70%

Patented
drugs
revenue
share- 21%

Highlights



Largest vaccine producer in the world



Bio-Pharma is the largest sector contributing to 62% of the total revenue



Fourth largest medical device market in Asia

Industry Scenario

India is emerging as a key market for Medical Devices and Diagnostics

The Pharmaceutical industry in India accounts for about 2.4% of the global Pharmaceutical industry in value terms. The turnover of the sector was estimated at \$ 27.5 bn in 2015-16. The market is expected to expand at a CAGR of 12.8% over 2015–20 to reach \$ 55 bn.

Generic drugs with 70% market share form the largest segment of the Pharmaceutical industry in India. Over-the-counter (OTC) medicines constitute around 21% of the market while patented drugs have a 9% share.

The Medical device market in India which was valued at \$ 3.9 bn in 2015, accounted for approximately 1.7% of the global medical device market. The industry estimate suggests that the Medical device market in India will grow at a CAGR of 16% to reach \$ 8.1 bn in 2020. India is currently among the top 20 global Medical device markets and the 4th largest medical device market in Asia.

GROWTH DRIVERS

Innovation and R&D

To develop new complex generic drugs

Medical tourism

Quality services at marginal costs compared to US, Europe, and South Asia

Infrastructure development

6 pharma and 2 medical devices parks in the pipeline

New IPR policy

Increased control over patent infringement

Strong drug manufacturing

Expertise in low cost generic patented drugs



Industry Trends



Branded generics

Occupies 70%-80% share of the retail market

Pharmaceuticals ingredients

India is the 3rd largest market for APIs globally



Formulations industry

Largest formulations exporter experiencing double-digit growth

Contract research and manufacturing services industry

Valued at \$ 8 bn in 2015



Rapidly growing healthcare industry

BP monitors, cardiovascular lab, portable anesthesia machine

Policies & Schemes

Cluster Development Programme for Pharma Sector

Implementation of Scheme for Schedule M Compliance for
SSI Pharma Units

Janaushadhi Scheme

National Pharmaceutical Pricing Policy

Pharmaceutical Promotion Development Scheme

TB and Kala Azar

Recent Investments

Oct 29, 2018 - Active pharmaceutical ingredients (APIs) and drug intermediates maker **Divis Laboratories Limited** is creating additional capacities by spending as much as **INR 15 bn** at its existing facilities in the next 15 months

Jul 02, 2018 - Swiss pharma giant **Ferring Pharmaceuticals** will be investing **\$ 250 mn** in setting up a manufacturing facility and R&D center in the city's life sciences hub of Genome Valley.

Jun 24, 2018 - **Tyumen** has joined a growing list of Russian regions keen on playing host to pharmaceutical ventures of Indian firms, a move that comes in the backdrop of Russia's emphasis on building self-reliance in drug production.

Mar 11, 2018 - **Neuberg Diagnostics**, an alliance of five leading pathology laboratories from India, South Africa, and the UAE, is planning to invest **\$ 43.7 mn** in India, the Middle East, and Africa as part of its expansion plans.

Major Investors

AstraZeneca 

Johnson & Johnson

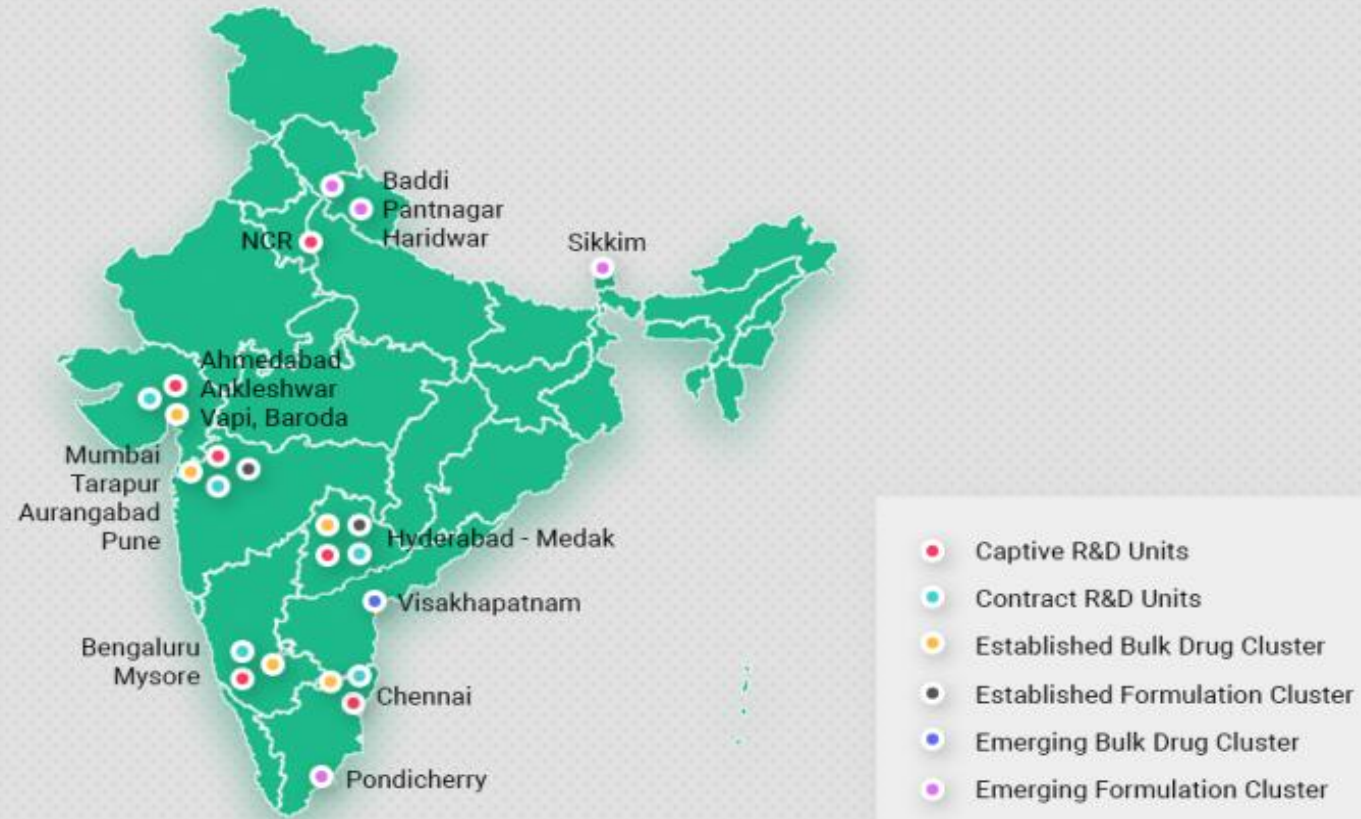
 GlaxoSmithKline

 **NIPRO**
Your Partner in Health Care

 Otsuka

 **TEVA**
TEVA PHARMACEUTICAL INDUSTRIES LTD.

Pharmaceutical Clusters



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