The pharmaceutical industry in India

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What's in today's article?

- **Why in news?**
- **What are the notable achievements of the pharmaceutical industry in India?**
- **What are the opportunities for pharmaceutical industry in India?**
- **News Summary: The pharmaceutical industry in India**
- **Tragedy in Gambia**
- **Will India's image take a hit?**

Why in news?

- Uzbekistan has claimed that at least 18 children in the country have died after allegedly taking an India-manufactured cough syrup.

- The health ministry of Uzbekistan said that the children who died had consumed cough syrup Doc-1 Max – manufactured by Noida-based Marion Biotech.
- After the incident in Gambia, the current incident may harm the India’s reputation as the pharmacy of the world.

Notable achievements

- The Indian Pharmaceuticals industry plays a prominent role in the global pharmaceuticals industry.
- India ranks 3rd worldwide for production by volume and 14th by value.
- India is the largest provider of generic medicines globally, occupying a 20% share in global supply by volume.
    - The pharmaceutical industry in India offers 60,000 generic brands across 60 therapeutic categories.
- It is the leading vaccine manufacturer globally. 60% of the world’s vaccines comes from India.

What are the opportunities for pharmaceutical industry in India?

Foreign Direct Investment (FDI)

- 100% FDI in the Pharmaceutical sector is allowed under the automatic route for **greenfield pharmaceuticals**.
- 100% FDI in the pharmaceutical sector is allowed in **brownfield pharmaceuticals**; wherein 74% is allowed under the automatic route and thereafter through the government approval route.

Market Size

- The pharmaceutical industry in India is currently valued at $50 bn. It is expected to reach $65 bn by 2024 and to $120 bn by 2030.

Export

- India is a major exporter of Pharmaceuticals, with over 200+ countries served by Indian pharma exports.
- India supplies over 50% of Africa’s requirement for generics, ~40% of generic demand in the US and ~25% of all medicine in the UK.
- For the period 2021-22, export of drugs and pharma products stood at $24.6 bn compared to $24.44 bn as of 2020-21.
- The Indian pharma industry witnessed exponential growth of 103% during 2014-22 from $11.6 bn to $24.6 bn.

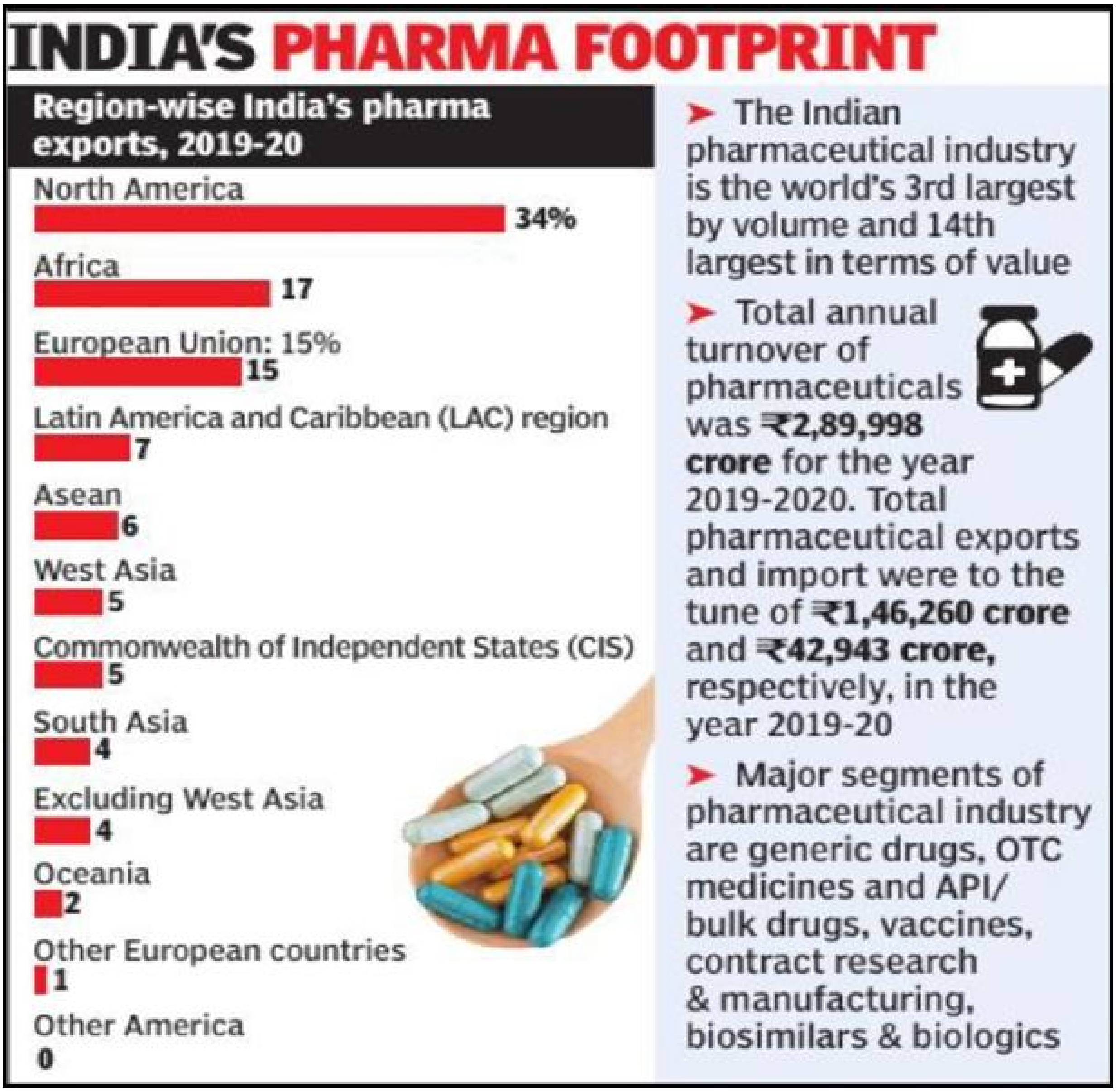

Image caption: India's Pharma footprint

Support by the govt

- The Indian pharmaceuticals market is supported by the following Production Linked Incentive (PLI) Schemes.
- PLIs are aimed to boost domestic manufacturing capacity, including high-value products across the global supply chain.

News Summary: The pharmaceutical industry in India

- India has launched an inquiry into the alleged role of Dok-1 Max, a cold and flu syrup manufactured by Noida-based Marion Biotech, in the recent deaths of 18 children in Uzbekistan.
- The Uzbek health ministry alleged that the kids died after drinking Dok1 Max and it contains unacceptable amounts of Ethylene Glycol (EG).
- The Uzbekistan tragedy comes weeks after a similar incident was reported from Gambia.

Tragedy in Gambia

- It was alleged that 69 children died in the African nation after consuming cough syrup exported by an Indian firm.
- The World Health Organisation (WHO) issued a medical product alert in the matter stating that samples of the cough syrup had been found to contain unacceptable amounts of diethylene glycol and ethylene glycol as contaminants.
- India, however, slammed the WHO saying the deduction that India-made cough syrup was responsible for the death of children in Gambia was premature.
  - This was after tests conducted on samples of the cough and cold syrups in question found the drugs to be of standard quality.

Will India's image take a hit?

- Experts believe that repeated reports of such incidents may harm the country's reputation as the pharmacy of the world.
- Therefore, renewed efforts are being made by the government to strengthen regulatory mechanisms for drug manufacturers.
- Recently, the government said it had prepared an action plan for nationwide inspection of manufacturing units which are identified to be at the risk of manufacturing Not of Standard Quality (NSQ)/adulterated/spurious drugs.

Q1) What is the market size of Indian Pharmaceutical industry?

The pharmaceutical industry in India is currently valued at $50 bn. It is expected to reach $65 bn by 2024 and to $120 bn by 2030.

Q2) Which city is known as pharma hub of India?

Hyderabad is the Pharma Hub of India. It accounts for 40 per cent of the total Indian bulk drug production and 50 per cent of the bulk drug exports and is considered as the 'Bulk Drug Capital of India'.

Source: Centre begins probe into 'syrup deaths' in Uzbekistan | Invest India