

India's Generic Medicines: Ensuring Affordable Healthcare Worldwide

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Indian Generic Medicines Latest News

- The Indian pharmaceutical sector, heavily reliant on the U.S. — which accounts for over 31% of its exports and sources nearly half of its generics from India — faces serious concerns over potential U.S. sector-specific duties.
- With the global generic market projected to reach \$614 billion by 2030, ongoing trade negotiations with Washington are crucial for the industry's future.
- Policymakers worry that U.S. tariff threats could undermine India's role as a key global supplier of affordable medicines, raising broader questions of public interest and long-term viability.

India's Contribution to Affordable Healthcare

- India supplies about 20% of all generic drugs and is known as the "pharmacy of the world."
- It produces affordable versions of brand name medicines, which are widely prescribed around the world.

- Indian generics already dominate U.S. prescriptions, accounting for over 90% in areas like diabetes, anxiety, depression, and cancer.
- They saved the U.S. healthcare system \$219 billion in 2022 alone, and nearly \$1.3 trillion between 2013 and 2022 — underscoring India's indispensable role in global healthcare affordability.

U.S. Tariff Threats and Indian Pharma's Stakes

- The U.S., India's largest pharmaceutical export market, sources nearly half of its generics from India, making tariff threats a major concern for policymakers.
- With the global generic market projected to reach \$614 billion by 2030, the **outcome of U.S.-India trade talks is critical for the industry's future** and global access to affordable medicines.
- Commentators suggest **India should use its pharmaceutical strength in bilateral trade negotiations, positioning Indian generics as a global public good.**
 - To do so, India must recalibrate its trade and investment strategy while mobilising public opinion in the U.S. and beyond.

Key U.S. Concerns in Negotiations

- The Trump administration's main concerns are **high drug prices in the U.S.** and **India's intellectual property (IP) regime.**
- It is pushing international reference pricing (IRP) to cut drug prices, while also seeking stronger IPR protections that extend monopolies for Big Pharma.
- This would **raise drug costs** and **delay generic entry into global markets.**
- The U.S. also demands extended patent exclusivity and stricter data protection beyond TRIPS requirements, using FTAs as leverage.
- So far, India has resisted such norms and must continue safeguarding TRIPS flexibilities, including compulsory licensing provisions.
- To safeguard exports, India is prepared to make concessions, including supplying generics at 20–25% of branded prices for three years after patent expiry, followed by further 10–15% reductions over seven years.

Need for a Strategic Shift in Trade Negotiations

- India must move beyond a transactional approach in its Bilateral Trade Agreement (BTA) talks with the U.S.
- The Indian Pharmaceutical Alliance (IPA) had proposed reducing import tariffs on U.S. pharma products to zero, but this fell flat as U.S. concerns lie elsewhere.
- Despite earlier exemptions, President Trump imposed levies of 26% plus penalties of 25% on Indian pharma imports, signalling that financial incentives alone cannot resolve issues.

India's Negotiating Capital

- India has long upheld its patent laws against foreign pressure and now holds negotiating capital to make a strategic move.

- By highlighting the **global public good created by Indian generics**, India can strengthen its bargaining power.
- Offering joint ventures in the pharma sector not just to the Global South but also to the U.S. and EU could recalibrate the trade dynamic in India's favour.

Diversification of Markets

- India must diversify pharma trade and investment beyond the U.S., tapping into growing markets in West Asia, Central Asia, Africa, South America, China, Russia, and ASEAN.
- Overseas investments with social impact can build stronger global alliances and reduce dependence on U.S. markets.

Focus on Technology Transfer and R&D

- India should link price reductions on generics supplied to the U.S. with demands for technology transfer, voluntary licensing, and collaborative R&D.
- The **India-U.S. TRUST** (Transforming the Relationship Utilizing Strategic Technology) initiative should be directed toward biotechnology, pharma manufacturing, and innovation partnerships.

Conclusion: Championing Public Health as a Global Good

- India must resist unreasonable U.S. demands while promoting generics as a global public good.
- By pursuing joint ventures worldwide, especially with the Global South, India can expand its role as a key supplier of affordable essential medicines.
- This strategic move would protect public health, secure domestic industry interests, and position Indian pharma as a global leader.

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