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Telanganaâ??s Bid to Achieve Positive Investment Growth

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Hyderabad continues to be a global center for generic drugs and vaccines despite the fact that Telangana's pharmaceutical industry has seen ups and downs throughout the years due to proactive industry policies, initiatives, and state government actions. With the pharmaceutical industry in India expected to grow to $120â??130 billion by 2030, Telangana plays a pivotal role in advancing global healthcare solutions.



Telangana state overcoming various hurdles and challenges is rapidly strengthening its position as a global leader in the life sciences and Active Pharmaceutical Ingredients (API) sectors. In the past year from November 2023 to December 2024, the state government succeeded in attracting investments worth Rs 36,000 crore and Rs 5,260 crore in life sciences and API sectors respectively.

With over 140 projects in the pipeline, these investments in the life sciences sector are set to generate 51,000 direct jobs and an additional 1,50,000 indirect jobs, showcasing the state's exceptional growth trajectory in the coming days ahead.

Speaking on this remarkable achievement, **Telangana's Industries and Commerce Minister, Duddilla Sridhar Babu**, emphasised the state's proactive policies and strategic vision. "Telangana has emerged as the epicentre for global life sciences innovation. This momentum includes both significant investments from new entrants and additional investments by existing companies that recognise the value of expanding in Telangana. This is a testament to the business-friendly approach of our government and the strong ecosystem we have built over decades," Babu stated.

Genome Valley: At the Heart of Innovation

The cornerstone of Telangana's success in the life sciences sector lies in Genome Valley, India's first and largest R&D cluster. This hub continues to attract global industry leaders, driving significant investments and expansions. Over the past year, Genome Valley has witnessed remarkable developments, solidifying its reputation as a global innovation centre for pharmaceuticals and biotechnology.

Among the key investments, KrKA (Europe) and Laurus Labs jointly committed Rs 2,000 crore to establish state-of-the-art facilities for pharmaceutical finished products and biopharmaceutical manufacturing. In addition, Laurus Labs inaugurated a cutting-edge R&D centre with an investment of Rs 250 crore, creating employment opportunities for 2,800 people.

In a noteworthy partnership, Takeda (Japan) collaborated with Biological E to manufacture 5 crore doses of the dengue vaccine annually. This initiative has further reinforced Hyderabad's reputation as the Vaccine Capital of the World.

Another milestone was achieved with Rx Propellant and Terminus Group announcing a Rs 2,000 crore investment to develop 20 lakh square feet of world-class laboratory space within Genome Valley, expected to generate 10,000 new jobs. Additionally, the Telangana government partnered with Thermo Fisher Scientific, which plans to establish the country's first scale-up biological manufacturing facility and bioprocess design centre in Genome Valley, marking another significant breakthrough for the region.

Adding to this momentum, Miltenyi Biotec from Germany is setting up a world-class Cell and Gene Therapy facility, enhancing Hyderabad's global profile in advanced medical research. Meanwhile, Aragen, one of India's leading Contract Research and Development/Manufacturing Organizations (CRO/CDMO), has announced a Rs 2,000 crore expansion plan in Nacharam, which will create 1,000 new jobs and further strengthen its presence in Telangana.

Other notable investments include expansions by global players such as Switzerland-based Ferring Pharma, Germany-based DFE Pharma, and USA-based Vivint Pharma, all of which are bolstering their operations in Genome Valley. These

investments collectively underline Telangana’s rising prominence as a global leader in life sciences and innovation.

Global Capability and Innovation Centers

In addition to manufacturing facilities, Hyderabad is rapidly emerging as a preferred destination for Global Capability and Innovation Centers (GCICs), attracting leading companies from across the world. Over the past year, several prominent announcements have highlighted the city’s growing importance as a hub for innovation and technology.

Amgen, a global biotechnology leader, is establishing one of its largest innovation centres worldwide in Hyderabad. This facility, designed to accommodate 3,000 employees, underscores the company’s ambitious expansion plans in the region. Similarly, Zoetis, the world’s largest animal health company, recently inaugurated a cutting-edge technology and innovation centre in the city, further enhancing Hyderabad’s reputation as a centre for excellence in research and innovation.

Adding to the momentum, Olympus, a Japanese medical technology giant, is setting up an engineering and R&D centre in Hyderabad. This facility is expected to employ around 500 people, driving advanced medical technology solutions. Meanwhile, HCA Healthcare, America’s largest healthcare systems provider, is building a large campus in the city to bolster its operational capabilities.

In another significant development, Cigna, a Fortune 16 health services provider, is expanding its presence in Hyderabad through its subsidiary, Evernorth Health Services. The company is setting up a massive campus in the city, reinforcing its commitment to innovation and customer-focused solutions.

Hyderabad’s growing appeal has also drawn investments from companies such as ModMed from Canada and RxBenefits from the USA, among others. These developments further highlight the city’s transformation into a global hub for innovation, driven by world-class infrastructure and a thriving ecosystem for research and development.

Telangana’s growth is not limited to new entrants. In the past year, existing industry giants like Medtronic, which established its first IT centre outside the USA in Hyderabad with a Rs 500 crore investment, continue to scale up their operations. Companies such as Sanofi, Bristol-Myers Squibb (BMS), and Providence are further expanding their already significant presence, demonstrating their confidence in Hyderabad’s business ecosystem.

As Hyderabad continues to attract new investments and foster innovation, the city is poised to remain at the forefront of the global life sciences industry. From cutting-edge R&D facilities to large-scale manufacturing and innovation hubs, Hyderabad is setting benchmarks that underscore its status as a world-class destination for life sciences.

Expressing satisfaction with the city’s ability to attract and retain major players in the life sciences sector, the Minister said, “We are proud to see Hyderabad emerging as a global hotspot for life sciences innovation. The continued investments and expansions by industry leaders reaffirm the trust in Telangana’s robust infrastructure and business-friendly policies.”

New Life Sciences Policy on the Horizon

Telangana’s strategic focus extends to the intersection of life sciences and technology. Hyderabad, with its deep talent pool in pharmaceuticals, biotechnology, artificial intelligence, and digital health, has become a prime destination for Global Capability Centers (GCCs) in healthcare and life sciences.

The state government has launched a Life Sciences GCC Consortium to power curriculums of science courses with technologies such as Artificial Intelligence (AI). At present, 40 life sciences companies are the members of the consortium. The course designed by the consortium will support science students to secure jobs at GCCs.

The Minister noted that the course will be introduced based on a hybrid model. Firstly, GCC companies like Dr. Reddy’s Laboratories will undertake training related to their vertical at the Young India Skills University, secondly, these GCCs will connect with the Skills University for training in new niche areas, and thirdly, a subject will be introduced in the curriculum of colleges.

"Hyderabad has created a niche for itself as the hotspot for GCCs, attracting investments across the life sciences and healthcare value chain, including pharma, biotech, medtech, and health insurance," said **Jayesh Ranjan, Principal Secretary, Industries, Government of Telangana**.

The state is preparing to launch a dedicated life sciences policy, aimed at streamlining processes, fostering innovation, and driving sustainable growth in the sector. "This policy will further consolidate Telangana's position as a vital node in the global life sciences value chain," added Ranjan, highlighting the government's commitment to building a robust and inclusive ecosystem.

Strategic Initiatives and Investments

With Telangana already a strong base for bulk drugs and Active Pharmaceutical Ingredient industries, the state contributes more than 30 per cent of India's total API exports. Telangana plays a crucial role in India's API manufacturing landscape, contributing significantly to both domestic production and exports. With its strategic initiatives and continued investment in infrastructure and talent development, the state is poised to enhance its position further in the global pharmaceutical supply chain.

While Telangana has witnessed massive investments in the life sciences segment, the chemical, API, and bulk drug industries have experienced a similar surge. In the past year, several API manufacturing companies in Hyderabad have expressed plans to set up new units and expand existing facilities.

In November 2024, representatives of top pharma companies who met Chief Minister Revanth Reddy, signed a Memorandum of Understanding (MoU) with the state government, pledging investments into new Greenfield industrial clusters to the tune of over Rs 5260 crore in the state.

Top investors from the API industry include Dr. Reddy's Labs, Laurus Labs, Gland Pharma, MSN Laboratories and Hetero Group. These companies, apart from expressing their intent to invest, have also promised to employ over 12,500 people in the state. Confirming this, **Satish Reddy, Chairman of Dr. Reddy's Laboratories**, said, "Our recent meeting with the Chief Minister had been positive. The state government is eager to expand the pharmaceutical sector in the rural areas. Accordingly, an MoU has been signed with the government to set up new units and expand existing facilities in the proposed upcoming Greenfield industrial areas."

Overcoming Challenges

Earlier plans for the Integrated Hyderabad Pharma City faced delays due to legal disputes and protests over land acquisition. The new government's decentralised strategy aims to balance regional development while mitigating challenges. IT and Industries Minister Sridhar Babu stated, "We are identifying land along the ORR with infrastructure for Greenfield Pharma clusters, ensuring balanced regional growth."

While the state is witnessing significant growth and new investments in the pharmaceutical sector on one hand, it is also grappling with challenges in land acquisition for setting up these projects. For instance, as part of the state government's plan to establish a Pharma Industrial Cluster in the Kodangal region, it faced strong resistance from the local population.

One notable incident occurred in Lagacherla village, where a public hearing organised to seek consent for acquiring 1300 acres of land from farmers turned violent. During the meeting, residents attacked the district collector and other officials, expressing their opposition to the proposed Pharma Industrial Corridor. As a result of this fierce backlash, the state government was forced to cancel the proposal for the Pharma corridor and instead proposed setting up an industrial cluster.

Even though the pharma industry has witnessed ups and downs, over the past many years in Telangana, with proactive industry policies, initiatives and measures from the state government, Hyderabad remains a global hub for generic pharmaceuticals and vaccines. With India's pharma market projected to reach $120–130 billion by 2030, Telangana plays a pivotal role in advancing global healthcare solutions.

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