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Indiaâ??s pharma and healthcare sectors eye 30-40% productivity gains with GenAI adoption: EY report

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50% of pharma firms prioritise customer service, manufacturing, and supply chain for GenAI



Generative AI (GenAI) is poised to transform India's healthcare and pharmaceutical industries, unlocking unprecedented efficiency and innovation, according to a report by EY titled, *'How much productivity can GenAI unlock in India? The AIdea of India: 2025'*.

The EY study reveals a growing momentum in GenAI adoption, with 66% of healthcare organisations and 50% of pharmaceutical companies already initiating proof-of-concept projects. In pharma, 25% of companies have taken it a step further, with GenAI applications now running in production. These advancements are reshaping traditional healthcare models, streamlining operations, and enhancing patient care.

As healthcare providers modernise their systems, GenAI is being deployed to address some of the sector's most pressing challenges, from improving diagnostic precision and advancing telemedicine to extending access to quality care in rural areas. 56% of healthcare organizations identified operations as a key priority for GenAI implementation, while 44% highlighted clinical services, finance, and operations. Additionally, 33% pointed to customer service and sales as areas where AI-driven transformation could deliver significant impact. Among pharmaceutical companies, 50% are focusing on customer service, manufacturing, supply chain, and operations, whereas 25% are prioritising procurement.

These investments are already delivering measurable impact- 44% of healthcare companies reported increased revenue and customer satisfaction, while 75% of pharmaceutical firms saw cost reductions and increased customer satisfaction.

Despite its vast potential, GenAI adoption in healthcare and pharma is not without challenges. Data privacy and regulatory compliance remain major concerns, especially given the sensitive nature of patient information. Additionally, many healthcare organisations rely on legacy IT systems that are not built to support AI-driven applications, making infrastructure modernisation a key priority.

Another critical barrier is the shortage of skilled AI professionals who can implement and manage these advanced technologies. To fully realise GenAI's potential, the EY report emphasises the need for strategic investments in AI talent, responsible AI governance, and strong collaborations between industry players, technology providers, and regulators.