

'India's pharma industry to touch \$55 billion'

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A joint report by Assocham and TechSci Research reveals that the Indian pharmaceutical industry is expected to touch \$55 billion by 2020 as against the current size of \$18 billion but the exports may slow down to grow at a CAGR (Compounded Annual Growth Rate) of 7.98 percent in value terms due to tightening of regulatory mechanism in top exports markets of US, Russia and Africa.

As per the report, "Consolidation of pharmacy players is leading to an increase in pricing pressures for generic companies existing in the US market, which is expected to result in a decline in the year-on-year growth of pharmaceutical exports from India over the next five years. A steep decline in currency in emerging markets such Africa, Russia, Ukraine and Venezuela may add to woes of drug manufacturers that supply pharmaceutical drugs to that region and are unable to generate high revenues on account of selling their drugs at a low priced currency.

India is the largest supplier of medicine to the US and pharmaceutical exports from India rose from \$3.44 billion in 2013 to \$3.76 billion in 2014.

"Pharmaceutical exports to the US are rising due to the increasing demand for high quality generic drugs in the market. However, the growth rate for exports of pharmaceutical products from India to the US is declining, due to increasing US Food and Drug Administration (FDA) scrutiny on the quality of pharma products coming from drug from drug manufacturing plants located in India. In order to boost the growth rate of exports to the US, Indian companies will need to leverage their compliance to US FDA regulations," the report added.