



# INDIAN PHARMACEUTICAL INDUSTRY

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# The Indian Pharma Industry in Global Scenario

**REVA**

**Indian Pharma market \$32 Bn.**

**Pharmacy of the World with supplies to over 180 Countries**

**India ranks 10<sup>th</sup> globally** in terms of **Value** & **4<sup>th</sup>** in terms of **Volume** (IMS – May 2016)

**Exports of \$17 Bn. (FY 2016) @ Growth Rate of 9.44%** (DGCIS)

**Indian Pharma Industry has potential to grow \$55 Bn. by 2020.** (Mckinsey)

**33.7% of Total Exports to US & Canada**

**Exports to USA \$ 5.5 bn @ growth rate 27.69% for 2016**

(DGCIS/Pharmexcil)

\$ = USD

# 6 Indian Companies in top 20 Generic

Rank	Company	Country	2014 In \$ billion	GR%
1	Teva Pharmaceutical	Israel	9.1	-1
2	Novartis	Switzerland	8.6	4
3	Actavis	Ireland / USA	6.6	6
4	Mylan	USA	6.6	10
5	<i>Sun Pharma India</i>	India	4.5	68
6	Aspen	South Africa	3	13
7	Hospira	USA	2.6	12
8	Sanofi	France	2.4	11
9	Fresenius	France	2.3	+/-
10	<i>Lupin India</i>	India	2	19
11	<i>Dr.Reddy's India</i>	India	1.8	10
12	Apotex	Canada	1.7	-2
13	STADA Arzneimittel	Germany	1.6	-1
14	<i>Aurobindo India</i>	India	1.6	75
15	<i>Cipla India</i>	India	1.4	17
16	Krka Group	Slovenia	1.3	1
17	Valeant Pharmaceuticals	Canada	1.2	-17
18	<i>Zydus Cadila India</i>	India	1.2	28
19	Par Pharmaceutical Companies	USA	1.2	20
20	Nichi-Iko Pharmaceutical	Japan	1.2	12
	Total of Top 20		74.2	7

Country	Companies in top 20
India	6
USA	4
France	2
Canada	2
Japan	1
Germany	1
Switzerland	1
Slovenia	1
South Africa	1
Israel	1

# SWOT Analysis – Indian Pharma

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- Competitive production cost and drug quality
- Speedy clinical trials
- Strong focus by the Government
- Adherence to global standards

## STRENGTHS



- Volatile foreign exchange
- Low R&D investment
- Import dependence for bulk drugs

## WEAKNESSES



- Patent cliff
- Optimistic targets by government in the 12th Five Year Plan
- New markets like Japan are opening up
- Increasing global demand for complex generics

## OPPORTUNITIES



- High dependence on US market
- Growing threats from China's API market
- IP regulations getting tougher and tighter
- Short term impact on bar coding drug packaging

## THREATS



# Japan Pharma → towards India

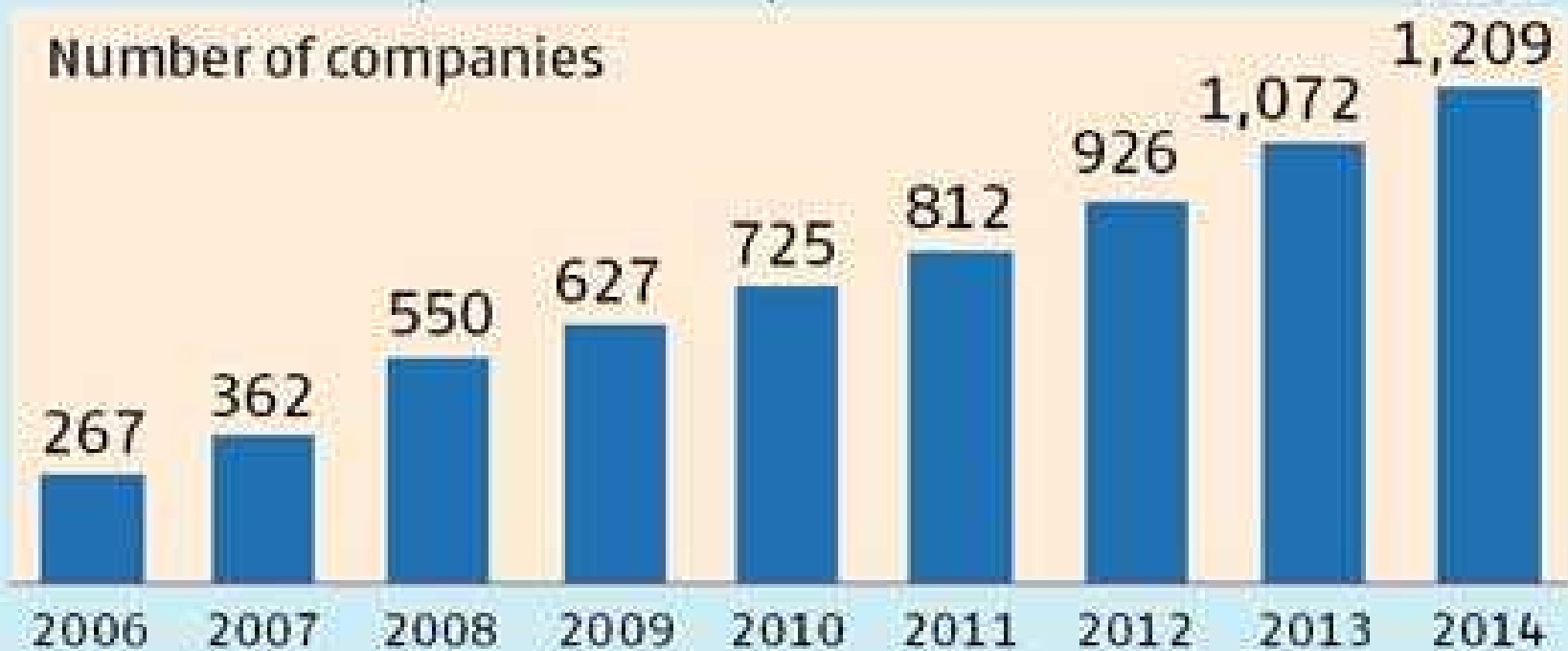
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- Takeda, Astellas, Eisai, Meiji, Otsuka & Asahi Kasei working aggressively.
- **Contract Manufacturing: FOCUS AREA:** Accessibility to FDA approved infrastructures & inexpensive production cost.
- **DRUG PRODUCT:**
  - ▣ Generic strategy
  - ▣ Compliments vision of MHLW.
- Japanese strengths to be capitalized
- **More Focus:** Medical Devices, Potent APIs, Bio-similars, Cosmetics, Stem-Cell and Re-generative medicines.

# IMPROVING TRADE RELATIONS

Presence of Japanese companies in India

Number of companies



Source: Survey by Embassy of Japan, New Delhi

# Way Forward

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- Japan Pharma, opening up to the World.
- Genericization
- R&D Alliances
- Contract Manufacturing
- Complimentary M&A Strategy







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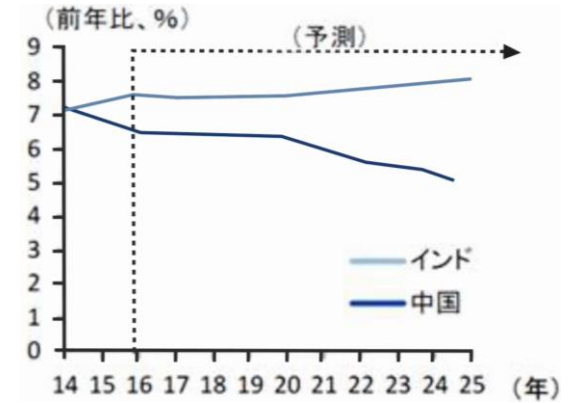
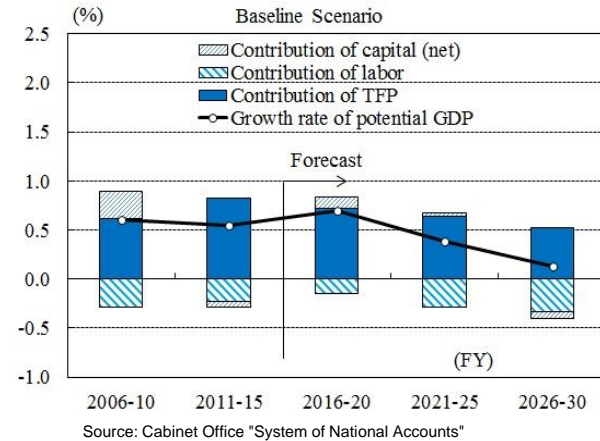
# 2<sup>nd</sup> India – Japan Medical Products Regulation Symposium

Probir Das  
Chair – FICCI Medical Devices Forum



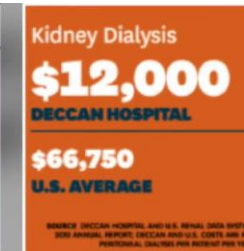
# We are intricately connected nations

- Our economies need each other
- In spite of differences, we understand each other culturally
- Our aligned political top leadership



# India's healthcare sector is gaining robustness

- \$110 Billion industry – growing @ 12% p.a.
- Hospitals ... \$ 67 Billion
- Pharmaceuticals ... \$ 35 Billion
- Medical devices ... \$ 8 Billion
- Medical tourism ... \$ 3 Billion
- Low cost – high success rate delivery (driven by 70% privatized out of pocket)



# Massive growth phase of healthcare infrastructure

- Current 0.7 beds per 1000 population
- Economic development creating affordability
- Social insurance schemes increasing coverage
- MoHFW committed towards Universal Healthcare.
- New National Health Policy.
- **1.3 million NEW hospital beds in ~10 years**



# Global companies setting up manufacturing and R&D

- Focus is on creating more 'Access' through affordable healthcare
- Leading med tech companies already scaling up
- Government creating enabling establishments
- Local – for – local innovation
- Potential of catering to many emerging markets



Johnson & Johnson

Medtronic

TERUMO

PHILIPS

Boston Scientific

NIPRO  
Your Partner in Health Care



BusinessLine

Philips launches new 'Made-in-India' medical equipment



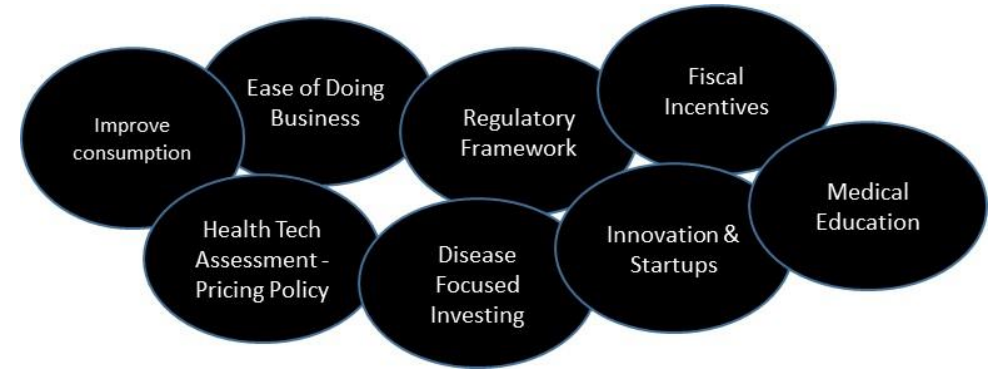
# Regulatory Environment Scales Up

- New Medical Devices Rules built with industry consultation; effective 2018.
- PMDA – CDSCO relationship progressed significantly
- Usage of Asia Training Centre (ATC)
- 2<sup>nd</sup> Symposium a great movement forward



# Industry Requests

- Develop India Medical Device Vision 2025
- Treat sector with a single point facilitator
- Increase PMDA – CDSCO collaboration to next level
- Allow fair profit play to allow Japan Quality
- More support from Japan Government on skill transfer & development







**Thank You !!!**