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Pharma firms brace for raw material supply issues due to coronavirus outbreak

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Leroy Leo

Currently most of the impact is being felt by pharmaceutical traders as they do not import the products in bulk quantities

Coronavirus outbreak has killed 110 people in China and infected more than 6,000 globally. Pharmaceutical companies in India are bracing for a hit on supply of key raw materials, majority of which is imported from China, if the current outbreak of novel coronavirus infection continues.



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Another industry official, on condition of anonymity, said that currently most of the impact is being felt by pharmaceutical traders as they do not import the products in bulk quantities.

Indian pharmaceutical companies import majority of active pharmaceutical ingredients (APIs) from China. APIs, also known as bulk drugs, are key raw materials for medicinal formulations.

In 2018-19, Indian pharmaceutical companies imported bulk drugs and intermediates worth \$2.4 billion from China, which was about 68% of total imports of the raw material, the government had informed the Lok Sabha last year.

While most large companies usually keep an inventory for about two to three months due to fluctuating supply and prices of bulk drugs, if the crisis continues, they will have to consider other options, including buying them from other areas at a higher price, Patel said.

An official for one of India's largest drug makers said that it has inventory for the next five months, and for now they are not worried about the outbreak. However, if the issue prolongs then it would be difficult.

The coronavirus outbreak that began in the central Chinese city of Wuhan has killed 110 people in China and infected more than 6,000 globally, information on a John Hopkins University's real-time tracking portal showed as of 3.50 pm. The infected patients are now there in 16 countries around the world, including Europe, Asia and Africa and North America.

The World Health Organization called the outbreak an emergency for China, but stopped short of designating it a global emergency.

While there are no bulk drug manufacturers in Wuhan, there may be some around it, Patel said.

One of the reasons the coronavirus outbreak has not yet led to any immediate concern among pharmaceutical companies is the expected break in China for the

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However, with the outbreak of the disease, Chinese authorities in various regions have extended the holiday break, which was originally between 24-30 January, as per a report by Chinese news website Xinhuanet.

Another option at hand is increasing domestic production of bulk drugs in India, which companies will have to expedite if the crisis continues, Patel said.

Increasing domestic production of APIs to reduce dependence on China has been a major talking point in the pharmaceutical sector over the last few years.

In February 2015, a committee headed by V.M. Katoch, the then secretary, department of health research, had suggested setting up of six bulk drug parks, which the government is currently working on.