



## India-China Standoff Threatens To Disrupt World's Biggest Exporter Of Generic Drugs

Forum Bhatt  
@ForumBhatt2



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India's trade pushback against China amid a border standoff threatens to disrupt the world's biggest generics-exporting industry during the pandemic.

### Impact On API Makers

Laurus Labs buys a significant amount of key starting materials from China, Dr. Satyanarayana Chava, chief executive officer, had said in a conference call after the earnings for quarter ended December.

Solara Active Pharma Sciences imports around 30% of its raw materials from China, according to its earnings call for the quarter ended September.

Granules India Ltd. imports the intermediate for paracetamol and metformin from China, and it constitutes about 38% of its raw material purchases, Prasad told Bloomberg Quint.

Aurobindo Pharma's dependency on the China market is high, the company said in its 2019 annual report.

Cipla Ltd. had acknowledged in its third-quarter earnings that "a lot of" its value chain is linked to China.

Divis Labs, though sources raw materials from China, has backward-integration for raw materials. It started expanding capacity much earlier than the Covid-19 disruption, when China's pollution controls caused supply disruption. That, according to Axis Capital, could lead to 10% growth in the ongoing financial, and even better in the next two years.

### Incentives To Boost Local Output

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