

## Pulse

# Spotlight on Indian pharma's resilience during pandemic times

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Alongside applause for ensuring uninterrupted supply of life-saving drugs, the sector needs some nurturing

“Promise me you’ll always remember that you are braver than you believe, stronger than you seem and smarter than you think...”.

This quote from the beloved Winnie the Pooh wasn’t quite the words but was exactly the sentiment that leaders of the Indian Pharmaceutical Industry had for their employees since March of this year, in trusting their ability to deal with anything. Despite the global Covid-19 pandemic

and all the chaos that it unleashed, the pharma industry has been able to meet the challenges and demonstrate resilience with its uninterrupted supply of life-saving drugs.

When most people globally were under lockdown, the industry met the demand of repurposing drugs, quickly supplying crucial drugs to nations anywhere in the world. India received requests for products like Hydroxychloroquine (HCQS), paracetamol and flu medication from over 100 countries and, lockdown notwithstanding, ensured supply of essential drugs to nations that were severely affected.

Uncertainty with local regulatory authorities, logistics challenges and price-escalations, manpower unavailability and increases in input materials were just some of the challenges that the industry overcame. For its part in the Covid-19 war, in addition to ensuring the continuous supply of life-saving anti-infectives and metabolic disease products, Lupin scaled up and made products like Azithromycin, a key drug used in Covid-19 treatment, widely available.

Through the decades, the Indian pharma industry has played a significant role in India and the world through providing access to high-quality and affordable generics. The industry has played a pioneering role in making affordable drugs available to developing and poor countries, particularly in Africa, for battling Tuberculosis, HIV and malaria. By swiftly capitalising on decades worth of capabilities and export opportunities in both regulated and semi-regulated markets, Indian pharma companies have improved accessibility of affordable drugs, globally.

With focus on Active Pharmaceutical Ingredients (APIs), intermediates, formulations, biologics, herbal products and medical devices, Indian pharma exports reached \$16.28 billion in FY20. Annual revenues generated by Indian pharma companies alone are about \$43 billion.

For the years of flak and brickbats the industry has faced, the Covid-19 pandemic has put the pharmaceutical industry front and centre, and brought to it the limelight that it truly deserves. Were it not for stalwarts from companies like Cipla, Dr. Reddy's, Lupin and Wockhardt and their pioneering capabilities, we would have been sitting, expecting aid from the wealthiest nations.

As someone close to me said, India is poor, but it doesn't have to be. Despite the poverty, for a market where most drugs are paid for by individuals, we have had access to the latest medicines even at a time like this, at affordable prices, and in adequate quantity.

We, the Indian Pharma Industry, are true leaders of the global generic industry and we have the opportunity to shape policy, to shape laws and regulations, and to shape markets themselves.

We have to rise above individual companies doing well to being an industry that gets recognised for what it does, what it creates and what it stands for — saving lives, making affordable medicines of truly global quality available to all.

## How government can help

This is also an industry that is under threat and needs to be nurtured. At this point, three key government interventions are crucial:

First, instituting measures to ensure that Indian drug exports remain competitive. Continued government support in the form of appropriate policies to help offset cost increases needs to be prioritised.

Enhancement in Production Linked Incentive Schemes that encourage exports is vital. Tax concessions, besides lowering cost of capital through subsidised loans, in addition to fiscal incentives for R&D such as

weighted tax deduction, will help lower costs. Second, enhanced engagement with governments of major export markets to lower regulatory barriers such as expedition of approval processes.

Third, engaging in discussions with governments such as the US, so that the industry is given preferential status in bilateral agreements.

The Indian pharmaceutical industry holds immense strategic importance. It is currently at an inflection point.

In a post-Covid world, with the right support, the industry will remain competitive in the export market and create value for the next decade — and in doing so, create value and jobs — and continue to save precious lives while doing that.

The author is Managing Director, Lupin Ltd. Views are personal

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