

"Pharma is a jewel in India's crown with long term growth opportunities"

In conversation with Sudarshan Jain, Secretary General, Indian Pharmaceutical Alliance

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Almost all business leaders expect that the National Budget 2021 in some way or the other will shell out measures in the form of much-needed catalysts for boosting demand, curbing inflation and thereby reviving the economy. What according to you are policy measures that the government should undertake in order to ensure financial recovery and spur economic growth in your sector?



India enjoys a key position in the global pharmaceutical industry. It is the world's largest supplier of generics, accounting for 20% of global exports.

The reforms planned by the government such as the Production Linked Incentive Scheme and Bulk Drug Parks are significant and a positive step towards achieving growth for the sector. It is an opportune time to boost R&D and innovation. The Pharma sector has always been driven by knowledge, technology and skills and in India has a great potential to create new job opportunities. A recent Times of India Executive Access Survey showcases life sciences as the most preferred sector that is predicted to attract talent, ahead of IT and FMCG, this year as the sector is expected to create increasingly more jobs can be expected in this year. The growing collaboration between Indian and global pharma companies will help leverage innovation and scale, resulting in better use of human resources and reduced risk of layoffs.

Going into the next decade, smaller cities and towns are expected to be key consumption drivers. Do you agree with this outlook and if yes then what policy changes should the government make to ensure that organisations can keep rural India at the centre of its growth story?

For a country like India, adoption of the three A's (Availability, Affordability and Accessibility) is essential from a long term perspective.

The recent announcement of the PM AtmaNirbhar Swasth Bharat Yojana, that will be launched with an outlay of about 64,180 crores over 6 years is a strong step towards strengthening preventive care, curative and well-being of the population. Additionally, increasing support for 17,788 rural Health and Wellness Centers is a critical step and needs adequate addition.

Working in a public private partnership and opening avenues for greater collaboration among medical institutes, pharma companies and government will ensure development of capacities for primary, secondary, and tertiary care health systems.

The government has been advocating 'Ease of Doing Business,' making India 'AtmaNirbhar' by promoting 'Make in India' initiatives aggressively. What reforms should the government think of in order to drive consumption and improve consumer demand?

India supplies over 60% of global demand for various vaccines including 40% of the demand for generic products in the US. The Pharma companies will continue to grow both organically and inorganically through alliances and partnerships. They will continue to focus on improving operational efficiency and productivity.

The Government's step towards promoting domestic manufacturing for critical KSMs, and APIs is an important move towards a self-sufficient healthcare ecosystem. With these schemes, we expect a boost in investments and creating a stable and supportive regulatory environment. Regulatory simplification and ease of doing business is important for early product introduction and strengthening the R&D ecosystem. This will in turn help in ease of doing business in the long run.

Additionally, the appropriate ceiling rate under Remission of Duties and Taxes on Export Products (RoDTEP) will help boost export competitiveness of pharmaceutical products from India.

SMBs are key to resurging growth for a developing nation such as India. How can corporates and the government work together to provide an opportunity for startups and SMBs to grow in the country?

The pharma industry is a jewel in India's crown with long term growth opportunities. However, COVID-19 pandemic has resulted in the pharmaceutical supply chain facing several challenges. In pharma sector, SMBs are also engaged in ancillary sector of pharma wherein size of the ancillary industry is approximately \$9 billion and is a key contributor to the success of pharma industry. Further, MSMEs have a significant salience of 55-60% within ancillaries, contributed by 10,000 – 11,000 units. IPA and Accenture had conducted a study on revitalizing the growth of SMBs/ancillary especially in the wake of COVID 19 pandemic. We believe concerted efforts on part of large pharma companies, SMBs and government will spur growth of economy in days to come.

What kind of economic trends do you foresee for FY22 spread over quarters?

COVID-19 pandemic has changed the world in many ways and has had impact on pharmaceutical sector too. In the coming year, we expect increased digitization and automation in the industry, skilled manpower in artificial intelligence (AI), machine learning (ML), cloud computing, robotic process automation (RPA), and other technological areas that will help speed up drug re-purposing and development of biomarkers, increase in e – platforms, tele-consultancy, cooperation at global level on regulatory and compliance. Importantly, patient welfare will be fundamental in all the efforts and COVID-19 pandemic has re-emphasized it further.