

4 MINUTE READ

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SECRETARY GENERAL, INDIAN PHARMACEUTICAL ALLIANCE

UNDERLINING THE CHALLENGES & OPPORTUNITIES

“Pharma industry amongst five sectors aiding India’s trade deficit reduction”

person disease burden measured as Disability Adjusted Life Years (DALYs) by 36 per cent between 1990 and 2016 (after adjusting for changes in the population age structure).

Addressing the Challenges Road to Universal Health Coverage

While Ayushman Bharat is aimed at providing affordable healthcare coverage to over 50 crore Indians, there are certain challenges to the accessibility of healthcare that need to be addressed. To begin with, there are only 29 skilled health workers for every 10,000 people in India. This is low when compared to China (41 skilled health workers), and about 111 in the United States. Whilst the standards set by the WHO are met, there needs to be more than a 40 per cent increase to achieve the unmet demand. Accessibility and affordability must walk hand in hand when addressing universal health coverage. India’s healthcare spend is low i.e., less than a third of Indians have health insurance,

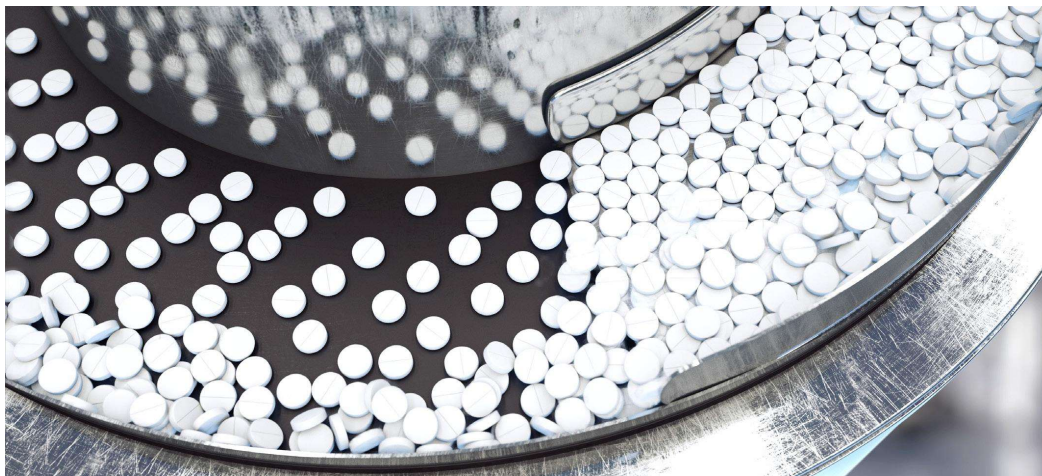
In a world that is still recuperating from the ongoing which means that a major share of the COVID-19 pandemic that has claimed millions of lives population is dealing with high out-of-globally and put millions more at risk, affordable and ac- pocket medical expenses. cessible healthcare has become fundamental. India has It is time for India to not only accemented its status as the pharmacy to the world, home celerate towards attaining the

goal of to the third-largest pharma industry of drugs by volume. In universal healthcare, but also for the these unprecedented times, the Indian pharmaceutical industry and the government to create try emerged as a dependable partner through its uninterrupted a roadmap to ensure access to quality supply of life-saving medicines not only in India but across the medicines at affordable prices. world and demonstrated tremendous commitment towards patient welfare. The Indian pharmaceutical industry has been Reducing the API dependence able to establish its footprint in the largest markets of The global Active Pharmaceutical Inthe world through world-class formulation devel- gredients (APIs) and Key Starting opments and entrepreneurial abilities, making affordable and high-quality generics widely available. Standing at the cusp of growth, the postpandemic world offers great opportunities for India. The Indian pharmaceutical industry has the potential to realise these opportunities by addressing current gaps and thus “There is a need for creating a holistic policy environment for the pharmaceutical industry” Materials (KSMs) shortages as a result of disrupted supply chain due to the pandemic brought to fore, the need to develop APIs and KSMs in India to be able to fulfil the needs of the pharmaceutical industry going forward. This strengthening the whole ecosystem. move will not only reduce import costs but also reduce market

Indian Pharmaceutical Industry - Making a Difference vulnerability due to unexpected price

The success of the Indian pharma industry is rooted in its movements. Aiming to reduce import ability to manufacture affordable, high-quality generic drugs. dependency and to attain self-reliance

Advancements in drug formulations along with increased and drug security, the Indian governaccessibility to healthcare services helped India drop the per ment has decided to provide incentives



to the pharmaceutical industry. A Production Linked Incentive (PLI) scheme and scheme for Promotion of Bulk Drug Parks has been introduced with the expectation to attract substantial investments, increase domestic production of KSMs, DIs(drug intermediates) and APIs and reduce the country’s import dependence to a large extent. Addition-

ally, pre-approval of environmental clearance and relaxing other regulatory clearances will help domestic players set up utilities suitable for creating better API, KSM, and DI facilities.

Investing in Innovation

With the Indian pharmaceutical industry's role in the global pharmaceutical supply chain well established, there is a need for the industry to move up the value chain and focus on innovation and research and development which accounts for 2/3rds of the pharmaceutical market size. Given that large R&D investments are required to build and sustain an innovation ecosystem, it is important to adopt measures that will encourage these investments. Policies such as reintroducing the 200 per cent tax breaks for R&D investments, lower

corporate tax rates for companies engaged in innovation hubs, the introduction of long term secured 'innovation bonds', and introduction of tax exemptions on research funding will provide the much-needed impetus for private sector participation. Additionally, the provision of direct research funding to academia, policy harmonisation, the introduction of innovation hubs, streamlining access to funding sources, etc. will also support and boost innovation in the long term.

Understanding the Pharma Economics

According to the statistics, not only does the pharma industry generate a trade surplus of over USD 13 billion each year, but it also employs over 2.7 million people. This employment is both direct and indirect, in high-skill areas such as R&D and manufacturing. Attracting over US \$ 2 billion in FDI inflows, the pharma industry is one of the five sectors aiding India's trade deficit reduction. This will lead to potential breakthroughs in nextgeneration innovative products and help accelerate the growth of an industry that is aiding drug formulations but also help in generating employment.

Way Forward

The future of the Indian pharmaceutical industry is dependent on its ability to capitalise on the opportunities presented to it. Innovation and research and development will continue to remain a pressing need to truly realise its true potential. Furthermore, while the Indian pharmaceutical industry has a significant presence in several countries, there exists a potential for growth in new markets such as South America, Japan, China and the African continent. Collaborations between the government and private sector players towards this common aim will expedite the realisation of

“The COVID-19 pandemic has highlighted the need for diversified supply chains for pharmaceutical products”