



The Indian Pharma Industry

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Own Man In India

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Introduction to the Indian Pharma Industry

- Macro level
- Key players
- Investments
- Danish case – Lundbeck in India





Current market situation – (1/3)

- India is a fast moving market in almost all sectors these years.
 - The significant growth and development pace is not an exception in regards to **the pharmaceutical industry** (“the pharma industry”).
 - The **large population** growth of more than 15 million a year (corresponding to more than 40.000 per day) and the **rising living standards** are two important indicators that logically lead to an increasing demand for more healthcare products.
 - The Indian pharma industry has been growing at a rate of more than 13% between 2004-2008
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Current market situation- (2/3)

- Currently India is ranked as the fourth largest pharmaceutical market in the Asia pacific region behind Japan, China and South Korea.
 - The Indian pharma industry is expected to be ranked the 10th largest market of all the markets in the world by 2015.
 - The Indian pharmaceutical drug production accounts to around 10% of the global drug production.
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Current market situation – (3/3)

- According to reliable sources, the Indian pharma industry revenued US\$ 16 billion in 2009 and is expected to reach US\$ 40 billion by 2014.
 - India ranks 3rd in Asia in clinical trails with around 350 clinical studies behind China and Japan.
 - The Indian clinical trials market was estimated to be US\$ 400 million in 2006 and is expected to reach US\$ 1.5 billion by the end of 2010.
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SWOT Analysis of the Indian pharmaceutical industry

Strengths

- Vast market growth potential
- Low cost production
- Low R&D costs
- Innovative manpower
- Cheap/skilled English-speaking labor force
- Increasing western work methods and mindset
- Long-established trade patterns with Western Europe and the US
- Strong local manufacturing sector
- Governmental focus and investment in the R&D area
- Increasing FDI in the industry

Weaknesses

- Low pharma consumption levels per capita
- Biased drug pricing and bad compensation policy
- Underdeveloped healthcare infrastructure
- Vast regional disparities in healthcare coverage
- Many pharma MNCs already supplying the market at lower prices

Opportunities

- Large and growing population
- Rising demand for generic drugs globally
- Increased demand for APIs – active pharmaceutical ingredients
- Increasing R&D activity by domestic firms

Threats

- Failure to properly enforce WTO compliant patent legislation for drugs.
- Government imposing further price controls on essential medicine
- India's patent laws threatened by litigation
- Weak copy right policies threatening the legal entities in the industry



Growth potential

The Indian pharmaceutical industry has the following growth drivers

- The Indian growing and aged population is expected to reach more than 1.4 billion by 2020. The population in India is even forecast to become larger than China (today 1.3 billion) after 2035, thus becoming the world's most populous country with 1.6 billion Indians.
 - The percentage of people aged 65 and above will increase from 4.3% to 6.3% till 2020.
 - The healthcare expenditure in India is expected to increase from approximately US\$ 44 billion in 2009 to US\$ 53 billion by the end of 2010.
 - India's per capita spending a year on medicine is expected to increase from US\$ 15 in 2009 to US\$ 31 in 2014.
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Key Indian companies in the pharmaceutical industry

Company name	Products Manufactured	Manufacturing locations	Total group turnover in USD \$	Turnover in USD for India in 2009
Ranbaxy Laboratories	Anti-infective drugs – Fexofenadine, finasteride, amoxyclav	Mumbai, Hyderabad,	1.5 billion	293 million
Cipla	Therapeutic drugs such as Nadibact, Ciclohale, Treixer, Tugain	Mumbai, Patalganga, Goa, Baddi	22 billion	1.2 billion
Dr Reddy's Laboratories	Antibiotics, Pain relivers, Ulcer drugs such as Glimepiride, Omeprazole, Ciprofloxacin, Ranitidine,	Hyderabad, Chennai, Vizag	1.5 billion	NA
Venus Remedies	Anti-cancer drugs – Epirubicin, Oxaliplatin, Docetaxel	Himachal Pradesh, Chandigarh	69 million	40 million
Piramal Healthcare	Phensedyl, Ismo, Supradyn	Hyderabad, Mumbai, Chennai, Pithampur	817 million	530 million
Torrent Pharma	Antibiotics such as Nicorandil, Risperidone,	Mehsana, Baddi	426 million	170 million
Intas Pharma	Therapeutic drugs such as Hifenac, Vivem	Matoda, Vatva, Dehradun	257 million	140 million
Cadila Healthcare	Herbal drugs, Skin care drugs	Ahmedabad	8 billion	323 million



Key multinational pharma companies in India

Company name	Products Manufactured	Manufacturing locations	Total group turnover in USD for 2009	Turnover in USD for India in 2009
Pfizer	Therapeutic drugs such as Celebrex, Exubera, Lipitor	Mumbai	50 billion	171 million
GlaxoSmithKline (GSK)	Over the counter (OTC) drugs such as Zyban, Seretide, Hepitec, Windia	Mumbai, Hyderabad	45 billion	414 million
Novartis	Vaccines, Antibiotics, Vitamins drugs such as Tegrital, Exelon, Lopresor	Mumbai	44.2 billion	132 million (2008-09)
Lundbeck	Central nervous system such as Azilect, cipralex, circadin	Bangalore, Karnataka	2.6 billion	NA
Novo Nordic	Diabetic drugs, Insulin, Needles	Bangalore Karnataka	9.3 billion	NA



Location of major pharmaceutical companies in India

Gujarat:

- Torrent Pharma
- Intas Pharma
- Novartis
- Cadila Healthcare

Mumbai/Maharashtra:

- GSK
- Piramal Healthcare
- Pfizer

Karnataka/Bangalore:

- Novo Nordic
- Lundbeck



Andhra Pradesh/Hyderabad:

- Dr Reddy's Laboratories
- Ranbaxy



Investments in the Indian pharma industry

In the following are some of the major investments in the Indian pharma industry:

- Lupin, a Mumbai based pharmaceutical company is planning to invest US\$ 200 million in the contraceptive market.
 - Dr Reddy's has made an alliance with GlaxoSmithKline (GSK) to develop and market the generics drugs.
 - The Ministry of Commerce will be investing approximately US\$ 6 billion in the domestic pharmaceutical sector.
 - The Indian government is planning to introduce Special Purpose Vehicles (SRV's) with an insurance cover. The purpose of this vehicle is to use the income for more R&D in the drug area.
 - The department of pharmaceuticals under the Indian government will be creating drug research facilities, which can be used by private companies for research work on rental basis.
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Danish pharma representation in India

- Lundbeck is a well-known Danish pharmaceutical company that was founded in 1915.
- Today Lundbeck is a large international corporation with representation in more than 50 countries worldwide.
- Lundbeck India was founded in 2002 and has been operating from Bangalore successfully ever since. Today Lundbeck India has 63 specialized employees that are highly engaged within the R&D area supporting Lundbeck both nationally and internationally.
- Lundbeck is very proud of their Indian internationalization, since they have become one of the fastest growing pharmaceutical companies in India.
- Their vision is to become a market leader within their field of knowledge; psychiatry and neurology in the long run.
- Overall Lundbeck makes a very good case for a Danish company that has penetrated the Indian pharmaceutical market successfully within few years.





Danish contact in India

- If you are interested to hear more about India and the rising pharma industry's possibilities do not hesitate to contact:
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