



Mains Practice Question

Q. Discuss the challenges and opportunities pertaining to India's pharmaceutical industry. (250 words)

15 Apr, 2020 GS Paper 3 Economy

Approach

- Briefly discuss the status of India's pharma sector from the global perspective.
- Enlist challenges faced by India's pharma sector.
- Highlight areas of growth.
- Conclude suitably.

Introduction

India as the largest provider of generic drugs globally, is often referred as Pharmacy of the world. The Indian pharmaceuticals market is the world's third-largest in terms of volume and thirteenth-largest in terms of value.

Indian pharmaceutical industry possesses many niche advantages like low-cost manufacturing, thriving private sector, also high economic growth along with increasing penetration of insurance in healthcare and medicine in India. However, the sector faces many challenges.

Body

Associated Challenges

- Despite being a leading supplier of high-quality medicines to several countries, Indian pharmaceutical industry is highly dependent on China for pharmaceutical raw materials i.e **Active Pharmaceutical Ingredients**.
- **Fake versions of high value and/or high volume brands** of the pharmaceutical companies in India are adversely affecting their business performance posing another major challenge.
- Indian pharmaceutical Industry is facing pressure from both the government and the civil society to make generic medicines more affordable for a large section of the population of the country.
 - This emphasis on the low price of generic medicine impacts the net profits of pharma companies.
- Countries like the US criticize India's patent law for invoking **compulsory license (though complaint as per WTO's TRIPS)** to produce generic versions of branded drugs.
 - Due to this India's pharmaceutical industry faces ban or high import duty in these countries.

Opportunities

- India should look up to and invest in biopharmaceuticals, as India's biotech sector is expected to grow at an average rate of around 30% a year and reach \$100 billion by 2025.
- E-pharmacies also promise a better future, as it can take medicines to the remote corner of the

country.

- To ensure health security of Indian people, revival of R&D and public sector API manufacturers is necessary.
- There is a need for a functional testing laboratory in every state to fasten the work of specification of raw materials.
- Skilled manpower from academic institutions can be achieved through continuing education programmes.

Conclusion

The future of Indian pharma industry is quite bright, but it needs to address the few dark clouds on the horizon as well.

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