



Mains Practice Question

Q. India is known to be the pharmacy of the world. However, the Indian pharma sector faces many issues that it needs to rectify. Comment.

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Approach

- Start the answer by giving the context of India helping the world in the supply of generic medicines.
- Discuss the associated challenges of India's pharma sector
- Conclude suitably.

Introduction

Historically, India enjoys an important position in the global pharmaceuticals sector, as India is the largest provider of generic drugs globally. Recently, India has decided to export the Covid-19 vaccine to many developed and developing countries.

It is a welcome step as it reaffirms India's designation of pharmacy to the world. However, there are many factors that ail India's pharma sector.

Body

Associated Challenges of India's Pharma Sector

- **Dependence on China:** Despite being a global supplier of generic drugs, the Indian pharmaceutical industry is highly dependent on China for pharmaceutical raw materials.
 - These raw materials are called the Active Pharmaceutical Ingredients (API).
 - Indian drug-makers import around 70% of their total bulk drug requirements from China.
- **Eroding Manufacturing Base:** Today, India is the preferred low-cost producer and exporter of simpler off-patent formulations.
 - However, recently there is a deterioration of a country's manufacturing sector when producers move important activities of manufacturing to low-cost facilities overseas.
- **Spurious Medicine:** 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.
- **Price Capping:** Indian pharmaceutical industry is facing pressure from both the government and civil society to make generic medicines more affordable for a large section of the population of the country.
 - This impacts the profitability of the Indian pharma sector.

Conclusion

Apart from augmenting soft power, India's Pharma sector is a sunrise sector for the economy. Thus, there is a need to rectify the persisting lacuna and invest in future medical technologies like Biotechnology.

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