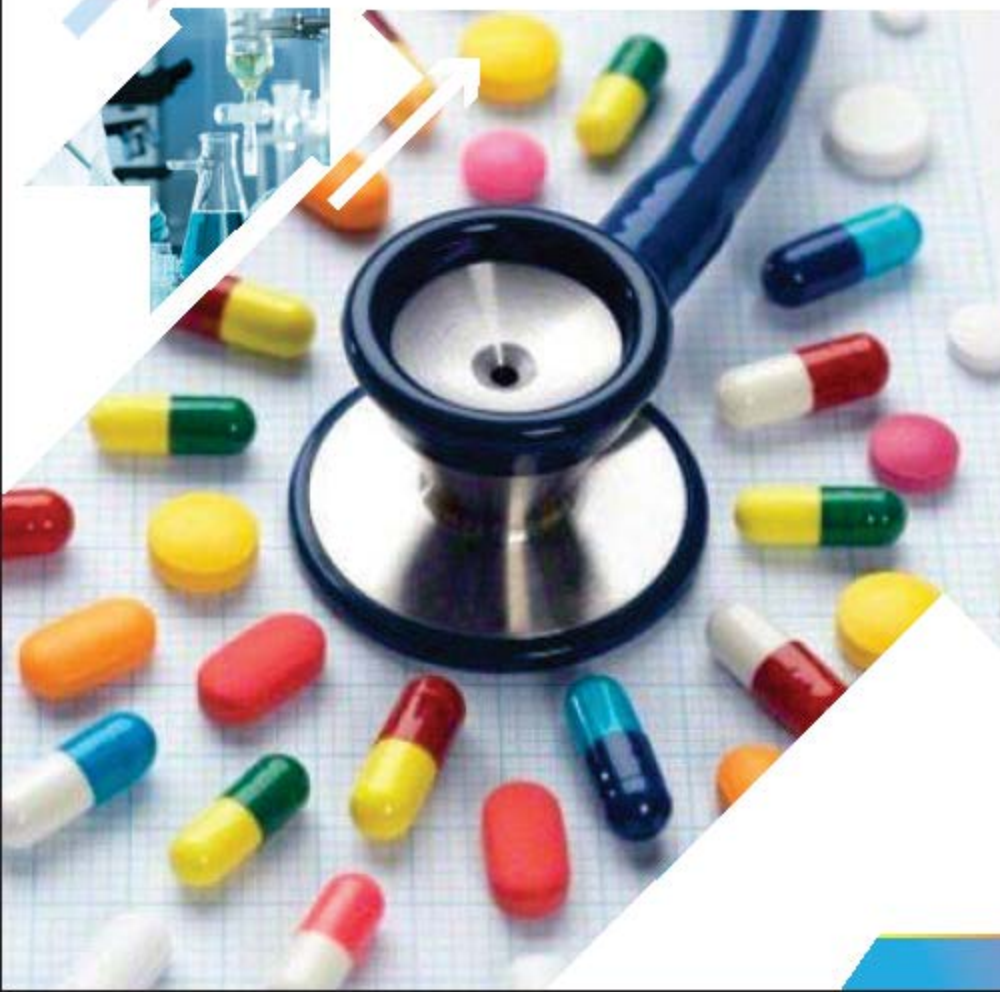




# PHARMACEUTICAL INDUSTRY IN UP

21-22 February





## SCENARIO IN INDIA

The Indian pharmaceutical industry is robust and thriving. The industry has witnessed robust growth, registering a growth of 29% in FY 2015-16.

**Indian pharmaceutical market is the 3rd largest by volume, and 13th largest by value**

**2nd largest market in Asia, accounts for nearly 3% of the global pharmaceutical industry by value**

**By 2020 India is expected to be 6th largest market globally**

**India exports 20% of global generics, making it the largest provider of generic medicines globally**

**India is one of the top 20 global medical device markets and the 4th largest medical device market in Asia**

**Profit After Tax of Indian Drugs & Pharmaceutical Industry (in INR Crores)**



Source: Annual Plan (2016-17), Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers

The Indian Pharmaceutical sector is largely fuelled by exports and is the 3rd largest foreign exchange earner for India. In 2015-16, the exports of Drugs, Pharmaceuticals and Fine Chemicals amounted to INR 1,09,770 Crores in India. India exports medicines to nearly more than 220 nations across the globe.

Pharmaceutical Exports from India - Category wise (INR Cr)		
Category	FY-15	FY-16
Ayush	769.99	706.94
Bulk Drugs & Drug Intermediates	23,169	23,302.8
Drug Formulations & Biologicals	72,892.04	82,192
Herbal Products	1,536.65	1,618
Surgicals	1,946.15	1,950
<b>Total</b>	<b>1,00,313.83</b>	<b>1,09,769.74</b>

Source : India Bulk Manufacturing Association of India

100% FDI has been allowed through automatic route for Greenfield pharmaceuticals projects, and 74% FDI has been allowed through automatic route for Brownfield pharma projects making the Pharmaceutical industry as the most attractive sector for investments. The sector attracted FDI worth INR 77.631 Cr between April 2000 and June 2017, which was 4% of total FDI inflows in India.



## ADVANTAGE UTTAR PRADESH

Uttar Pradesh is access to country's 4th largest state, and 3rd largest economy. Home to 16.5% of India's population, Uttar Pradesh is amongst the top 5 manufacturing states and has 2nd highest number of MSME units. 13.26% growth in exports (CAGR) recorded in the state in last 5 years (2012-17). With the highest population among all Indian states, Uttar Pradesh offers to be the biggest market for pharmaceuticals.

### a. Infrastructure Advantage



#### Location Advantage

- Located on Golden Quadrilateral with excellent road network
- Access to National Capital Region on the west
- Strategic access to market & resource depth of eastern India
- Largest railway network in the country spanning over 8,949 km



#### Connectivity

- Major national & international airports connecting the rest of India, Middle East & South East Asian countries.
- Two upcoming international airports at Jewar & Kushinagar
- Proposed NW-1 connecting Allahabad to Haldia port



#### Industrial Corridors

- 8.5% of DMIC catchment area and 57% of AKIC in UP
- Intersection of WDFC and EDFC at Greater Noida
- Multi-modal logistic hubs, industrial parks etc. to benefit from reduced travel time to ports

The existing logistics infrastructure in Uttar Pradesh includes Moradabad rail linked combined domestic and EXIM terminal, Rail linked Pvt Freight Terminal and Inland Container Depot in Kanpur, ICD at Dadri Terminal, ICD at Kanpur etc. Besides these, multi modal logistics/ transport hubs are also proposed at Noida, Boraki and Varanasi.

The connectivity web of the state including existing and upcoming expressways like Poorvanchal Expressway, Bundelkhand Expressway, Lucknow- Agra Expressway etc.; 4 lane and 6 lane state highways; national and international airports; NW 1 waterways connecting Allahabad, Varanasi and Haldia sea port etc., is expected to create a web of air, water, road and rail network that will help the state's industries and manufacturing units. The Multi-city metro rail projects, coming up at Lucknow, Kanpur, Meerut and Varanasi, and upcoming international airport at Jewar and Kushinagar are also expected strength to State's connectivity advantage.

## b. Raw Material base and growing Industry

The State has 2nd highest number of MSME's in the country and has a considerable chemical and medicinal raw material base. There are several pharmaceutical units in the State, of which majority are into formulation, mostly located in the Western region of the state in Ghaziabad, Gautambuddha Nagar, and in Lucknow, Kanpur.

Exports of Pharmaceutical Products from Uttar Pradesh	
2015 -16	INR 363.42 Crores
2016 -17	INR 519.23 Crores

Source: Department of Export Promotion, Govt of Uttar Pradesh

- Uttar Pradesh has nearly 17% market share of national sale in terms of value, with a turnover of about INR 90,000 crore in pharma sector (2014-15).
- There are about 76000 pharmacists and 71,000 retail pharmacies in U.P.

The industrial panorama in the state is encouraging and reflects potential for considerable growth in the pharma sector.

## c. Availability of Labour and Strong R&D base

The State has perennial supply of skilled and unskilled manpower and prestigious research institutes and Department of Pharmaceutics. The Abdul Kalam Technical University of Uttar Pradesh has 100 colleges providing B.Pharm degree and 64 colleges providing M.Pharm degree.


Uttar Pradesh is home to the prestigious research institutes including -

- CSIR-Central Drug Research Institute, Lucknow
- National Institute of Pharmaceutical Education and Research, Raibareli
- Indian Institute of Toxicology Research (IITR), Lucknow
- Central Institute of Medicinal and Aromatic Plants, Lucknow
- National Botanical Research Institute, Lucknow
- Biological Sciences and Bioengineering Department, IIT- Kanpur
- Biotechnology Department, MNNIT-Allahabad
- Indian Institute of Technology – Banaras Hindu University (IIT BHU)
- King George's Medical University, Lucknow
- Sanjay Gandhi Post Graduation Institute of Medical Sciences, Lucknow





## KEY INVESTMENT OPPORTUNITIES

1. **Manufacturing Bulk Drugs and Generic Medicine:** Uttar Pradesh offers the largest consumer base for domestic consumption and is well connected major ports of India making it for export oriented production
  2. **Distribution** – Uttar Pradesh is the 4th largest state with population density of 829 people per sq.km. There is immense scope for development of a drug mechanism for distribution of all kinds of drugs.
  3. **Wellness drugs-** As the industry is progressing and expanding coping up technological advances, there is scope for production and distribution of wellness drugs.
  4. **Education & Skill Development** - The State offers largest workforce with 56% of the population in working age group. Home to premier research institutes and education centres in the sector, State is expanding its education and skill development ecosystem to meet the needs of the industry.
  5. **Research and Development**
    - Drug Testing Technology
    - Contract Research and Manufacturing Services (CRAMS)
    - Biologics and Biosimilars
    - AYUSH and Phytomedicine
  6. **Manufacturing Medical Devices** - With new hospitals and nursing houses coming up and renovation of existing facilities, manufacturing medical devices in Uttar Pradesh is a promising opportunity.
- 



Contact : **Executive Director**  
**Udyog Bandhu**

12-C, Mall Avenue, Lucknow-226001 (U.P.)

**Phone No.:** +91-522-2237582/83

**Fax No.:** +91-522-2237345

**Email:** [info@udyogbandhu.com](mailto:info@udyogbandhu.com)

**[www.udyogbandhu.com](http://www.udyogbandhu.com)**



**Information and Public Relations Department, U.P.**