

The Rise Of India’s Pharmaceutical Industry To A Forecasted \$450 Billion

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Staff monitor control panels inside the Human Papillomavirus (HPV) vaccine manufacturing unit of the Serum Institute of India (SII) at its headquarters in Hadapsar, Pune. INDRANIL MUKHERJEE/AFP VIA GETTY IMAGES

India is showing real commitment to realize its vision of becoming a “pharmacy of the world” by implementing policies and [executing multiple projects](#) to provide strong momentum to domestic pharmaceutical companies and the market, including its exports of medicinal items.

On October 29, while inaugurating a medical device manufacturing facility of Meril, under the Production Linked Incentive (PLI) scheme in Vapi in Gujarat state, Prime Minister Narendra Modi [stated](#) that “augmenting the healthcare infrastructure is our priority.”

In 2024, India’s domestic drug market is expected to grow to reach [\\$64 billion](#) from [\\$54.6 billion](#) last year. As India’s middle class has grown to [41%](#) of 1.4 billion citizens in the country, the higher disposable income amongst its citizens and [growth](#) of health insurance providers have made medicines more accessible. Furthermore the country is also witnessing [a change](#) in epidemiological profile amongst the population; cardiovascular diseases have now become the leading cause of death in India, accounting for [28.1%](#) of all deaths.

To cater to varied types of new demands for medicines, the Indian government has formulated a National Pharmaceutical Policy (NPP) that addresses the issue of drug pricing and accessibility.

One of the primary objectives of NPP is to reduce prices of drugs by manufacturing of Active Pharmaceutical Ingredients (APIs) locally. India imports nearly [70%](#) of its API requirements, primarily from China. The policy sets ambitious targets to [increase](#) the share of domestically produced APIs that would significantly enhance India's pharmaceutical security.

Along with this, to innovate and to help Indian companies move up the value chain from generic drugs to novel drug discovery, India has [significantly liberalized](#) its Foreign Direct Investment (FDI) policy, which has also facilitated strategic partnerships between Indian and foreign pharmaceutical companies.

One example is Sun Pharma and Merck Sharp & Dohme (MSD) successfully [partnering and commercializing](#) tildrakizumab globally. Such collaborations have enabled Indian companies to access global markets and advanced technologies, and foreign companies have benefited from Indian companies’ cost-effective manufacturing capabilities, local knowledge, distribution and large talent pool.