



## 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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