

Pharma, healthcare industry looks to sustain momentum in 2022

Synopsis

Listing out difficulties for the domestic pharma industry, Sun Pharma CEO (India Business) Kirti Ganorkar said that currency fluctuations, interest rate uncertainty and significant increase in raw material and transportation costs have been some of the major challenges.



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Shardul Amarchand Mangaldas & Co Partner Arvind Sharma noted that the Indian pharmaceutical sector currently stands at the third position globally in volume terms after the US and China with a market size of around USD 42 billion.

Having proved its prowess to the world during the challenging times of the pandemic by supplying 60 per cent of the global COVID-19 vaccine requirements, the [Indian pharma](#) and [healthcare industry](#) is looking to build on the experience of the last two years, strengthen the partnership with the government and sustain the momentum in 2022.

Organisation of Pharmaceutical Producers of India ([OPPI](#)) Director-General K G Ananthkrishnan told PTI that it is crucial for the industry to further build momentum towards the gains secured over the course of the pandemic which will help it carve a niche in the global pharma value chain.

To this end, the industry must collectively work towards supporting, recognising, and rewarding high-risk research and development, he added.

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"Encouraging private sector investment in R&D and rewarding innovations through a strong intellectual property ecosystem along with the on-ground execution of the government's vision of Discover in India will spur the growth of the innovation ecosystem in the country," Ananthkrishnan noted.

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"Harmonising the industry's regulatory requirements to the global standards will be key for the next leg of growth in 2022 and beyond. The pricing environment must address increasing input costs with appropriate increase in prices," he

added.

Listing out difficulties for the domestic [pharma industry](#), Sun Pharma CEO (India Business) [Kirti Ganorkar](#) said that currency fluctuations, interest rate uncertainty and significant increase in raw material and transportation costs have been some of the major challenges.

"We hope that some solution will be available and it will possibly not lead to a significant increase in overall inflation," he added.

He, however, noted that there will be opportunities for companies to expand their COVID portfolio as new antivirals like molnupiravir and vaccine booster doses will be in demand.

"In line with our consistent efforts to accelerate access to new drugs for COVID treatment, we will endeavour to make new therapies available to patients at an economical price," Ganorkar said.

Commenting on the new trends in the industry, Dr Reddy's Laboratories Co-Chairman and Managing Director G V Prasad said, "One trend that I see having great influence in 2022 is strengthening of the partnership between government and industry, building on the last two years of the pandemic."

It was this collaboration that resulted in healthcare solutions being introduced in the country in a relatively smooth and timely manner during COVID, he noted.

Further, he said, "we will need more of this trust-based collaboration between government and private sector to ensure we continue to serve patients in India and around the world."

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"With a highly skilled workforce, technological advancements and sales affected by the pandemic normalising, the pharma sector is expected to do well in 2022, predicted to grow at about 11 per cent for the next two years and surpass the USD 60 billion mark," he said.

Healthcare industry body NATHEALTH President Harsh Mahajan said the Centre and state governments would need to invest heavily in preventive and primary care if they were to achieve the goal of universal healthcare.

"The use of digital health and telemedicine came to the fore during the pandemic and this trend will continue, and see increasing investment, so that there is access to quality healthcare provided at affordable price to the masses," he added.

The pandemic highlighted the deficiencies in the healthcare delivery system of the country and also the woefully limited reach of quality healthcare in the tier 2-4 cities and rural areas, Mahajan said.

Medical Technology Association of India (MTaI) Chairman Pavan Choudary said the med-tech sector is expecting to see a tipping point in 2022, with multiple high level deliberations taking place between the government and the industry.

"The global industry, which is by far the major investor in med-tech, wishes that tariff and non-tariff barriers be minimised," he noted.

Issues like data-backed rationalisation of public procurement, roll back of health cess and reduction of custom duties especially on products which cannot be made in India in the immediate term are most important for the sector,

Choudary said.

Fortis Healthcare MD and CEO Ashutosh Raghuvanshi noted the world has realised the potential of the Indian healthcare sector, and in 2022, it will attract greater investments and support from both domestic and global industry which will steer employment and business growth.

"Existing healthcare organisations will look at expanding the service delivery in peri urban and rural areas. Overall, year 2022 looks stable, the sector is on its recovery phase and has great potential to contribute to the USD 5 trillion economy goal," he said.

Ananthkrishnan noted that in 2021, the pharmaceutical industry witnessed an eventful year, from research and development of multiple vaccines and medicines for COVID to the integration of digital systems with the healthcare infrastructure.

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