

# Indian pharma requires a fresh approach, strategic investments and outcome-specific thinking

## Synopsis

Indian pharma stands on four of its biggest strengths - affordability, accessibility, agility and quality. A 2020 McKinsey report reiterated that, even in its most pessimistic projection, the sector was expected to show a three-fold increase in market growth.



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In April, global pharmaceutical giant **Merck** [NSE 0.53%](#) - or its Indian division, Merck Sharp and Dohme (MSD) - entered into voluntary licensing agreements with eight generic manufacturers in **India** to supply its investigational oral antiviral drug for **Covid-19**, molnupiravir. The latter are now investigating the implications of the US Food and Drug Administration (USFDA) approval on the ongoing trials in India.

MSD and its partner Ridgeback Biotherapeutics now plan to seek US Emergency Use Authorisation (EUA) for the pill, the first oral antiviral medication for Covid-19, as soon as possible and make regulatory applications worldwide. According to data released this week, molnupiravir could halve the chances of death or hospitalisation for those at risk of contracting severe Covid-19.

### Home-made formula

Collaboration and quick action were the need of the hour. And that was exactly what the Indian pharmaceutical sector did to ensure that every possible solution was brought to the country, and that as an essential service, patients and stakeholders are delivered on promises made to them.

There was a time during the early-mid-20th century when India relied heavily on the outside world and global giants for its pharma needs. A gradual revolution from the mid-20th century onwards changed that. Cut to 2021, and the picture looks very different. Today, India is a leader in the global pharma landscape, particularly when it comes to formulations. It is the third-largest producer of **pharmaceuticals** by volume, and supplies 20% of global exports of generic drugs. An estimated 40% of generic formulations to the US come from India.

It was the world-class strengths of this home-grown sector that stood us in good stead when Covid-19 hit the world. The pandemic demonstrated the maturity and reliability of India's pharma industry as a healthcare partner to the country's people in many ways. These were brought about by, among other means, unprecedented government-industry and intra-industry collaboration.

The best demonstration of this was the daily calls and exchange of best practices between the highest levels of pharma companies, and of pharma with the highest levels of the GoI to minimise disruption, innovate on the go, create resilience in the supply chain and, most importantly, work towards solutions. The latest collaboration between Merck and Indian pharma companies is a case in point.

Looking back, there were many decisions, risks and bets taken by Indian pharma at the height of Covid's first wave that showcase the industry's commitment to the healthcare needs of the country. This led to the spectrum of treatment options - from mild and moderate to severe Covid-19, and also vaccines - becoming available in India.

Indian pharma stands on four of its biggest strengths - affordability, accessibility, agility and quality. A 2020 McKinsey report ([mck.co/3DfsQ6G](https://www.mckinsey.com/industries/healthcare/our-insights/indian-pharmaceutical-industry)) reiterated that, even in its most pessimistic projection, the sector was expected to show a three-fold increase in market growth. It has the ability to grow not just bigger in size and reach, but also grow deeper in terms of capability, complexity and innovation.

It is this capability-deepening trait that has helped Indian pharma grow over the last few decades. From building world-class capabilities in bulk drugs or active pharmaceutical ingredients (APIs), it turned its attention to formulations and newer dosage forms in the 1990s, entering new markets and breaking new frontiers internationally. On the complexity front, Indian pharma moved up the value chain from simple to complex molecules with higher entry barriers, cutting-edge technology platforms, devices, new chemical entities, biosimilars and biologics.

### On pharma ground

Capability, technology, digitisation, demographics, disease burdens, lifestyle patterns, communicable and non-communicable diseases are all factors we study when planning for the future needs of healthcare in India. Currently, there is a need for integrated and digital healthcare solutions. A digital approach in today's world is important, and the pandemic has highlighted how fast this needs to be accelerated.

How can we create a robust digital healthcare ecosystem with patient experience at its core? Can we integrate various patient touchpoints into this system? Can consultations, diagnostics, ecommerce, insurance and support, nutrition, wellness and lifestyle management be brought together? And then there are traditional in-clinic and educational interactions between field colleagues and healthcare practitioners that may benefit from a fresh digital approach.

Much of this requires a mindset change, a fresh approach, strategic investments and outcome-specific thinking. We are cognisant of the gaps, the need to connect all the touchpoints seamlessly, and of the enormous potential of an integrated digital healthcare approach in shaping the ecosystem. These conversations have been going on for a while now, and greater action and impact is expected.

Patients globally have come to trust and rely on Indian pharma. The industry is expected to grow almost three times in the coming decade, reaching between \$120 billion and \$130 billion by 2030. And even as we plan the next phase of healthcare, we are acutely conscious of our responsibility to ensure our growth is environmentally sustainable, socially impactful and in keeping with the highest governance standards. The future roadmap for Indian pharma promises to centre on sustainability, R&D, innovation, upskilling and reskilling.

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