



Pharmaceutical Cluster in India

Pharma Sector in India (1)

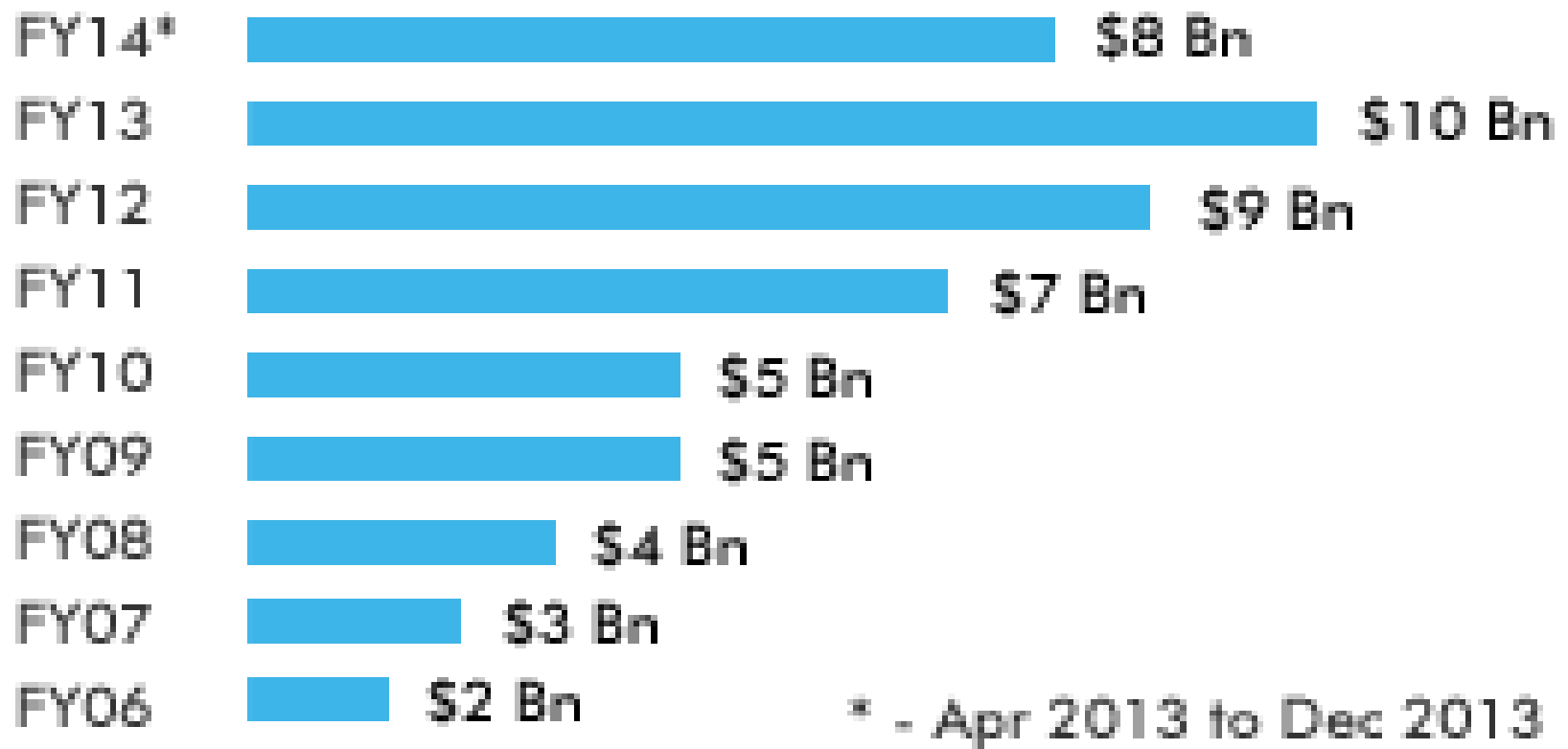
- India's Pharma market accounts for about 1.4% of the global pharma industry in value terms and 10% in volume terms;
- India's Pharma market is expected to grow at a CAGR of 14.5 % over 2009-20 and reach USD 55 Billion to become 3rd largest pharma market. Its is presently 6th largest market;
- India's Generics market is expected to grow to USD 26.1 Billion by 2016 with a 7.2% market share and
- India Formulations market is one of the largest in the world in terms of volume, with 14% market share. Globally 90% of formulations approvals have been granted to Indian Companies;
- India's Biosimilar's market is expected to touch USD 1.4 billion in 2016 from USD 482 million in 2011;
- India has about 1400 WHO GMP approved manufacturing units;
- India has approx 10,500 manufacturing units & approx 3000 Pharma Units and growing at an exceptional rate.

Pharma Sector in India (II)

- In terms of value, exports of pharmaceutical products have increased from USD 2 Billion in 2006 to USD 15 Billion in 2013-2014 (CAGR – 21%) and expects to export USD 27 billion by 2016.
- Attracted cumulative FDI worth USD 11.6 Billion between April 2000 and December 2014;
- Attracted 5% of the total FDI's into India from April 2000 to December 2014;
- India has the second largest number of USFDA-approved manufacturing plants outside the US;
- India has 2,633 FDA-approved drug products;
- India has over 546 USFDA-approved company sites, the highest number outside the US;
- 49% of all drug master filings registered in the USA.

Exports by Pharma Sector (2006-2013)

EXPORT DATA



Growth Drivers for Pharma Sector

- Cost of production is nearly 60% than that of the US and almost half of that of Europe;
- The cost of setting up a production plant in India is 40% lower than in Western countries;
- 100% FDI is allowed under the automatic route for greenfield projects;
- Brownfield project investments, up to 100% FDI is permitted under the government route.;
- Rising levels of education to increase acceptability of pharmaceuticals;
- Patients to show greater propensity to self-medicate, boosting the OTC market
- Between 2011 - 2016, patent drugs worth USD 255 Billion are estimated to go off-patent leading tremendous opportunities for Indian companies;
- With introduction of Product patents, several local companies are to launch patented drugs in India.

Incentives by the Central and State Govts for the Pharma Sector

- Govt's NOC for export license issued in 2 weeks compared to 12 weeks;
- Govt's Zero duty for technology upgrades in the pharma sector through the Export Promotion Capital Goods (EPCG) Scheme;
- Govt plans to set up a USD 640 million venture capital fund to boost drug discovery and strengthen pharma infrastructure;
- Govt plans to allocate USD70 million for local players to develop Biosimilars;
- Govt has invested USD1.1 billion in the PPP fund to support R&D in India;
- Govt has notified the National Pharmaceutical Pricing Policy in 2012;
- Govt has notified a Cluster Development Programme for Pharma Sector (CDP-PS) in October 2014;
- State Govt has incentives like relaxation in stamp duty on sale/lease of land, power tariff incentives, concessional rate of interest on loans, investment subsidies and tax incentives.

National Pharmaceutical Pricing Policy 2012

- The National Pharmaceutical Pricing Policy, 2012 (NPPP-2012) has been notified in 2012.
- Some features of the policy are as under:-
- The regulation of prices of drugs would be on the basis of the essentiality of drugs as specified under the National List of Essential Medicines (NLEM)-2011;
- Market-based pricing as per the policy is expected to create greater transparency in pricing information and would be available in public domain;
- Provision of exemptions to drugs manufactured through indigenous R&D from price control for 5 years.;
- A Drug Price Control Order 2013 has been notified in May 2013 to implement the provisions of NPPP-2012.

Cluster Development Programme (CDP-PS) for Pharma Sector

- 'Cluster Development Programme for Pharma Sector' (CDP-PS), has been notified by the Central Government in October 2014;
- The scheme is aimed to catalyse, encourage quality, productivity and innovation in the pharma industry to meet the domestic needs and at the same time enabling the sector to play a leading role in a competitive global market;
- Reduction the cost of production by 25% by way of common facilities in the clusters leading to better availability and affordability medicines in domestic market and the global market;
- To help industry meet the requirements of standards of environment at a reduced cost through innovative methods of common waste management system;
- The Scheme would be implemented on a PPP format through one time grant –in–aid for various phases for creation of identified infrastructure and common facilities to set up a Special Purpose Vehicles (SPVs) for the purpose.

Proposed Facilities inside the most Pharma Clusters in India

- Common ETP (Effluent Treatment Plant)
- Common Testing Facilities
- Common Ambient Air Monitoring System
- Common Waste Management Facilities;
- Common Logistics Centre
- R &D Centres
- Common Physical Infrastructure - Internal roads, water pipeline system & power distribution network etc.
- Common Civil Infrastructure – Medical Center, Fire station, Banks, telephone exchange, post office, police station, petrol and diesel outlets etc.

Pharma Clusters, Pharma SEZ's & Pharma City in India (Operational & Planned)

□ Pharma Clusters:-

4 Operational Clusters (Ahmedabad, Hyderabad, Indore & Cuttack)

10 Planned Clusters (announced very recently by the Govt)

□ Pharma SEZs :-

12 Operational SEZs (4 in Gujarat, 4 in Andhra Pradesh, 2 in Maharashtra, 1 in Karnataka and 1 in Mohali)

□ Pharma City:-

1 planned Pharma City coming up at 11,000 acres near Hyderabad by TSIIIC (Telangana State Industrial Infrastructure Corporation)

What can we do

- Develop the India presence of international pharma companies. We would help in establishing the following:
 - Setup the Office and Manpower development
 - Set up the factories right from Land acquisition- regulatory approvals-design-vendor selection- EPC – operations.
 - Business development
 - Tie-up with local partners if required.



Thank You