

Generic drug prospects to fuel pharma sector in India

PRESS TRUST OF INDIA

New Delhi

WITH many drugs going off patent in the US, Indian pharma companies would continue to experience strong growth in American market, a credit rating agency has said.

Indian pharma companies would continue to experience strong growth in the US over the medium-term. This would be driven by the sizable generic opportunity (drugs with brand value of \$25-30 billion are expected to face generic competition) over the next two to three years, investment information and credit rating agency, ICRA said in a statement.

The other factor that would drive growth will be, strong product pipeline of pending ANDAs with high increasing proportion of complex generics that compares favourably with generic majors such as Teva, Mylan and Actavis, it added.

Though in the domestic market, growth momentum during the year has been moderate.

This was primarily attributable to the implementation of the new drug pricing policy, which resulted in price cuts on a wide range of drugs and subsequently led to supply chain disruptions due to disagreement over trade margins between industry and trade partners, ICRA said.

While US remains the key driver for Indian pharma sector, emerging markets provide a steady and sustainable source of growth, it added.

CONFIDENTIAL
21-8-14

TD, MC
22-8-14

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