

New markets pep up drug exports

OUR SPECIAL CORRESPONDENT

Mumbai, Feb. 16: A new cluster of countries is contributing to the growth of the pharma industry, resulting in a robust jump in exports of drugs.

Apart from the highly regulated markets of the US and Europe, countries such as Mexico, Turkey, Poland, Venezuela, Argentina, Indonesia, Thailand, Romania, Egypt, Ukraine and Vietnam are buying from India. Besides this, the companies have a huge presence in Russia and South Africa.

The "pharma-emerging" markets accounted for nearly 20 per cent of the total drug exports in the previous fiscal, according to a note from India Ratings & Research, a Fitch group company. The note said their share was set to jump to 27 per cent over the next three years.

Exports to these countries are expected to grow at over 29 per cent on increased affordability and higher demand coming from non-profit organisations.



BOOSTER DOSE

Africa, which accounts for 18 per cent of exports, is considered to be a highly potential market because of the high demand for anti-retrovirals and anti-malaria drugs.

At present, the US is the largest market for drugs exported from India followed by Europe.

Analysts are optimistic about these markets even after the US Food and Drugs Administration imposed curbs on some of the Indian pharmaceutical companies because of violation of good manufacturing practices.

Strong double-digit growth

rates are also expected to continue on the back of the growing focus on ObamaCare in the US and close to \$93 billion of drugs going off-patent in the next three years.

The US accounted for nearly 26 per cent of the total exports in the last fiscal.

According to the estimates of the Centre for Monitoring Indian Economy, exports to that country have shown a compounded annual growth rate of 30 per cent over the last five years.

ObamaCare impact

The Patient Protection and Affordable Care Act, or ObamaCare, implemented in January, aims to reduce the cost of healthcare in the US and boost the use of generics.

It also paves way for the introduction of more bio-similars. The implementation of this act is likely to benefit the pharma companies as India is the largest supplier of generic drugs to the US and has a 40 per cent market share in terms of volume, India Ratings said.

AMC (MCI)
BOPAL
24.2.14

u
exports