

# INDIAN PHARMA MARKET ON STEROID-LIKE GROWTH

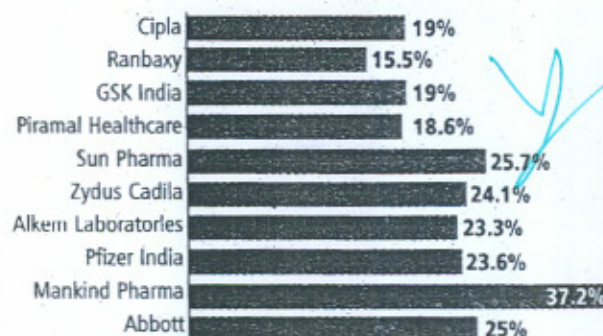
*Year's surge five times that of global market*

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## BOOSTER DOSE

GROWTH % FOR 12 MONTHS ENDED JULY 2010



Source: IMS Health India

**T**he Indian pharmaceutical market has shown growth of a little over 20 per cent for the 12 months ended July, above four times the global growth rate of about five per cent.

This unprecedented rate could attract more global companies to enter the domestic drug market, thus triggering more buyouts of Indian companies by multinational drug makers, said industry experts.

The Indian pharmaceutical market reached ₹44,477 crore in size, with a value-wise growth rate of 20.4 per cent over the previous year's corresponding period on a Moving Annual Total (MAT) basis for the 12 months ended July, according to data from IMS Health India. It tracks drug sales in the country through a network of nationwide drug distributors.

The industry's growth rate was only 11.2 per cent MAT in the corresponding period of the previous year, at ₹36,800 crore.

Cipla maintained its leadership position in the domestic market with 5.27 per cent share, followed by Ranbaxy. In July, Pfizer's cough syrup, Correx, became the largest drug brand in the country, overtaking Novartis' painkiller, Voveran. Among the top 25 products in the July MAT, it was Sanofi-Aven-

tis' painkiller, Combiflam, which was the highest gainer, jumping six ranks to number 21.

"The industry is growing at an unprecedented level due to a combination of factors. Heavy rains causing epidemics, resulting in an increased sales of antibiotics and cough and cold preparations in the past two months, growth of GDP and resultant income with people and the increased medical reimbursement cap from ₹15,000 to ₹50,000 have helped the growth," said Ranjit Kapadia, vice-president, institutional research, at HDFC Securities.

The data showed except for Ranbaxy Laboratories — the second largest domestic company after Cipla — the other top 10 companies posted sales

growth of over 18 per cent in July. Ranbaxy's growth during the period was 15.5 per cent, while Cipla grew by 19 per cent.

The highest growth in the domestic market was for Mankind Pharma, which grew 37.2 per cent. Leading companies in the domestic market such as Sun Pharma (25.7 per cent), Abbott (25 per cent), Zydus Cadila (24.1 per cent), Alkem Laboratories (23.3 per cent), Pfizer (23.6 per cent), GSK India (19 per cent), Piramal Healthcare (18.6 per cent) and Lupin (18.8 per cent) had impressive growth during July, shows the data.

### To mega size

The Indian drug market, currently valued fourth in terms of volume and 13th in terms of val-

ue, is expected to become one of the largest in the world, thanks to the population size. IMS estimates the healthcare market in India at ₹1,40,000 crore by 2020. The Indian pharmaceutical market is expected to touch \$40 billion (₹1.8 lakh crore) by 2015, predicts the global management consulting major, McKinsey & Co.

IMS data said the anti-diabetic therapy segment recorded the highest growth for these 12 months, at 29 per cent in value, among various therapeutic segments. The genito-urinary and sex hormone segment recorded a growth of 24 per cent and cardio vascular system and nervous system medicine showed 22 per cent value growth for the 12-month period.



*Industry*