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Indian market expected to grow 12% during 2011-15

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New Delhi: The global business intelligence firm, ResearchandMarket has filed their latest report with their projections of the Indian Pharmaceutical market outlook. The report explained the enhanced purchasing power, rural market penetration and expanded access to healthcare attracting big pharma investment from the Indian outlook.

The report pointed out that the Indian pharmaceutical industry grew from $0.8 billion in 1980 to $21.73 billion in 2010 and is expected to grow further as Multinational Companies (MNCs) enter the market. "Although pharmaceutical giants such as GlaxoSmithKline (GSK) have been present in the market for years, the rising income of the middle-class population, changing patent laws, low-cost skilled labor and low-priced infrastructure in India have attracted other MNCs," the report said.

Further, it explained, "With the current scenario, the market is expected to grow at a compound annual growth rate (CAGR) of 12 percent during the 2011-15 period. Branded generics are expected to become more prevalent in India as many global players are planning to launch them after their patents expire."

"With the inflow of MNCs' R&D operations the industry will continue to experience a trend of M&A. Deals and acquisitions are set to continue due to low-cost infrastructure and labor as patent expiries and the thin pipelines of major companies will cause revenues to fall," the report read.

It added that the Indian government has implemented various initiatives to increase insurance coverage and reduce healthcare costs, such as the National Rural Health Mission and Jan Aushadhi. A revised pricing policy was also proposed in 2011, which will increase government control to over 60 percent of drugs.

Rising income levels, changing disease patterns, increasing reach of healthcare, reduced out-of-pocket expenditure and growth of new products such as generics and biosimilars are expected to drive growth in the future.