

## India market forecast

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**Singapore:** Multinational pharmaceutical firms will continue to see mixed results in the Indian pharmaceutical market. A key contributor to this divergence is the frequent but highly varying use of price controls enacted by Indian authorities. Patent protection has also made little progress, with the India Patent Office maintaining its stringency in accepting applications from innovative pharmaceutical firms. Volume-driven gains thus represent a more consistent driver of growth for multinational pharmaceutical firms to leverage upon in India.

Growth opportunities for innovative drug makers will remain challenging in the Indian pharmaceutical market. Multinational firms saw mixed performances over the quarter ending 2015, with a 6 percent year-on-year (y-o-y) expansion for Pfizer India even as GlaxoSmith-Kline Pharmaceutical (GSK) registered a fall in revenue generated from the Indian market. Despite these difficulties, the potential in the Indian pharmaceutical market remains significant. Companies seeking to grow by volume sales in particular are best placed to leverage growth in the Indian market. As a reflection of this, local news sources noted in November 2015 that GSK continues to seek regulatory approval to launch two new paediatric vaccines in India.

Medicine price revisions will curtail the growth opportunities for multinational pharmaceutical firms in India. Pfizer's Targit AM (telmisartan and amlodipine), for example, saw its price reduced from Rs 7.39 (\$0.11) per tablet to Rs 6.20 (\$0.09), a decline of 14 percent as part of an August 2014 revision. Price revisions have also been frequent, affecting a varying number of pharmaceuticals at each juncture. Between July and November 2015, there have been four such revisions, with Abbott Healthcare being the most affected.

#### Patent protection

India's intellectual property environment will remain an on-going area of concern for innovative pharmaceutical firms. In November 2015, Lutz Hegemann, Global Head of Development, Established Medicines Franchise at Novartis, noted that India will need a highly predictable intellectual property regime to develop a pharmaceutical sector similar to that of the US or Europe. Progress in this direction has been mixed thus far. In November 2015, the Delhi High Court ruling noted Cipla has

infringed upon Roche's patent claim on Tarceva (erlotinib), overturning a 2009 ruling. However, the same ruling allows the Indian generic drug maker to continue selling its generic version of Roche's drug.

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