
Impact of make in India programme on Indian pharmaceutical sector

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I. Introduction

Make in India is a major new national programme of the Government of India designed to facilitate investment, foster innovation, enhance skill development, protect intellectual property and build best in class manufacturing infrastructure in the country. The primary objective of this initiative is to attract investments from across the globe and strengthen India's manufacturing sector. It is being led by the Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Government of India. The Make in India programme is very important for the economic growth of India as it aims at utilising the existing Indian talent base, creating additional employment opportunities and empowering secondary and tertiary sector. The programme also aims at improving India's rank on the Ease of Doing Business index by eliminating the unnecessary laws and regulations, making bureaucratic processes easier, making the government more transparent, responsive and accountable.

"I want to tell the people of the whole world: Come, make in India. Come and manufacture in India. Go and sell in any country of the world, but manufacture here. We have skill, talent, discipline and the desire to do something. We want to give the world an opportunity that come make in India," Prime Minister of India, Mr Narendra Modi said while introducing the programme in his maiden Independence Day speech from the ramparts of the Red Fort on August 15, 2014. The initiative was formally introduced on September 25, 2014 by Mr Modi at Vigyan Bhawan, New Delhi, in the presence of business giants from India.

The focus of Make in India programme is on 25 sectors. These include: automobiles, aviation, chemicals, IT & BPM, pharmaceuticals, construction, defence manufacturing, electrical machinery, food processing, textiles and garments, ports, leather, media and entertainment, wellness, mining, tourism and hospitality, railways, automobile components, renewable energy, biotechnology, space, thermal power, roads and highways and electronics systems¹.

The Indian manufacturing industry currently contributes just over 15% to the national GDP. The aim of this Make in India campaign is to grow this to 25%. In this process, the government expects to generate jobs, attract much foreign direct investment and transform India into a manufacturing hub².

II. Indian Pharmaceutical Industry Overview

The Indian pharmaceutical industry ranks third in the world in terms of volume and produces 10 per cent of the world's total pharmaceuticals³.

Indian pharmaceutical industry supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in UK.

India accounts for 20 per cent of global exports in generics. India's pharmaceutical exports stood at US\$ 17.27 billion in FY18 and are expected to reach US\$ 20 billion by 2020. In FY19 these exports are expected to cross US\$ 19 billion.

Indian pharmaceutical sector is expected to grow at a CAGR of 15 per cent in the near future and medical device market expected to grow \$50 billion by 2025. India is the second largest contributor of global biotech and pharmaceutical workforce. The pharmaceutical sector was valued at US\$ 33 billion in 2017.

The domestic generics market is expected to reach US\$ 27.9 billion by 2020. India's generics market has immense potential for growth. Indian pharmaceutical companies received record 300 generic drug approvals in USA during 2017 where the generic market is expected to reach US\$ 88 billion by 2021.

By 2024-25, India's biotech industry is estimated to increase to US\$ 100 billion⁴.

III. Objectives of the Study

- 1.To study the number of Pharmaceutical Export Promotion Council (Pharmexcil) registered pharmaceutical companies in India since year 2015 to year 2018
- 2.To study the Annual Turnover of Indian Pharmaceutical Market since year 2015 to year 2018
- 3.To study the total Foreign Direct Investments in Indian pharmaceutical sector since year 2015 to year 2018

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4.To study the total Export of Indian pharmaceutical products since year 2015 to year 2018

5.To study the total number of Job creation in Indian pharmaceutical sector since year 2015 to 2018

IV. Research Methodology

The descriptive research study is based on Secondary data. The data has been taken from secondary sources like publication from department of pharmaceuticals, research articles, publication from pharmaceutical export promotion council and websites.

V. Impact of Make in India on Indian Pharmaceutical Sector

➤Output of Export Promotion Activities

Pharmaceutical Export Promotion Council (Pharmexcil) registered pharmaceutical companies in India since year 2015 to year 2018⁵.

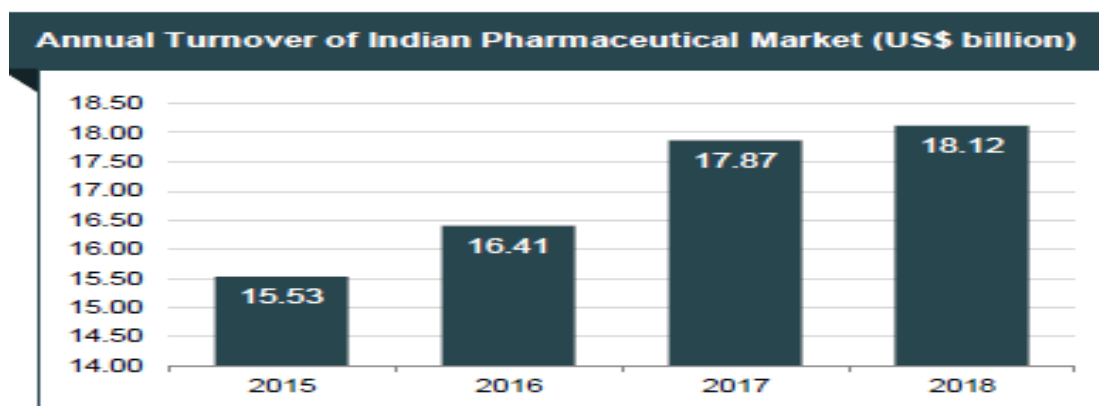
State	2015-16	2016-17	2017-18
Andhra Pradesh	25	32	39
Assam	1	1	2
Bihar	8	8	10
Chandigarh	36	41	42
Chattisgarh	NA	NA	2
Delhi	292	316	359
Goa	14	4	8
Gujarat	496	521	591
Haryana	67	77	89
Himachal Pradesh	24	30	32
Jammu	5	7	7
Karnataka	141	163	185
Kerala	29	33	34
Madhya Pradesh	63	69	75
Maharashtra	1541	1559	1664
Nagaland	NA	NA	1
Orissa	4	4	4
Punjab	38	46	52
Rajasthan	33	45	50
Tamil Nadu	167	186	205
Telangana	397	434	479
Uttar Pradesh	55	64	71
Uttaranchal	19	21	25
West Bengal	37	40	43
Total	3492	3716	4069

Year	No. Of Registered companies	Growth Rate (Compare to previous year)
2015-16	3492	
2016-17	3716	6.41
2017-18	4069	9.49

Source: PharmexcilAnnualReport_2017_18.pdf

Table and figures reveals that, from 2015 to 2018 every states improves with increase number of registered companies under Pharmexcil to fulfil one of the make in India objective as export of pharmaceutical products from India.

➤Annual Turnover of Indian Pharmaceutical Market Annual Turnover of Indian Pharmaceutical Market ⁶



Source: Department of Pharmaceuticals, PwC, McKinsey, AIOCD AWACS, , IQVIA, CII

Chart shows that the Annual Turnover of Indian Pharmaceutical companies continuous improve since 2015 to 2018. Financial year 2017 has highest growth rate (8.89%) compare to other financial year.

➤ Growth of Foreign Direct Investments

Foreign Direct Investments in Indian pharmaceutical sector ⁷

Year	Amount (In Rs. Crores.) April –March	Amount (In US \$ in Millions)	Growth (Compared Previous Year)
2015-16	4975	754	-
2016-17	5723	857	13.66
2017-18	6502	1010	17.85

Source: https://dipp.gov.in/sites/default/files/FDI_Factsheet_12March2019.pdf

Table and figures reveals that, Indian Pharmaceutical Industry is able to draw higher foreign direct investment sine 2015 to 2018. Financial Year 2017-18 shows remarkable growth of FDI compared to previous year.

➤ Export Growth

Export of Indian pharmaceutical products ⁸

Year	Amount (In US \$ Million)	Amount (In Rs. Crores.)	Growth (Compared to previous Year)
2015-16	16912.01	110663.92	-
2016-17	16785.00	112547.06	-0.75
2017-18	17275.80	111363.81	2.92

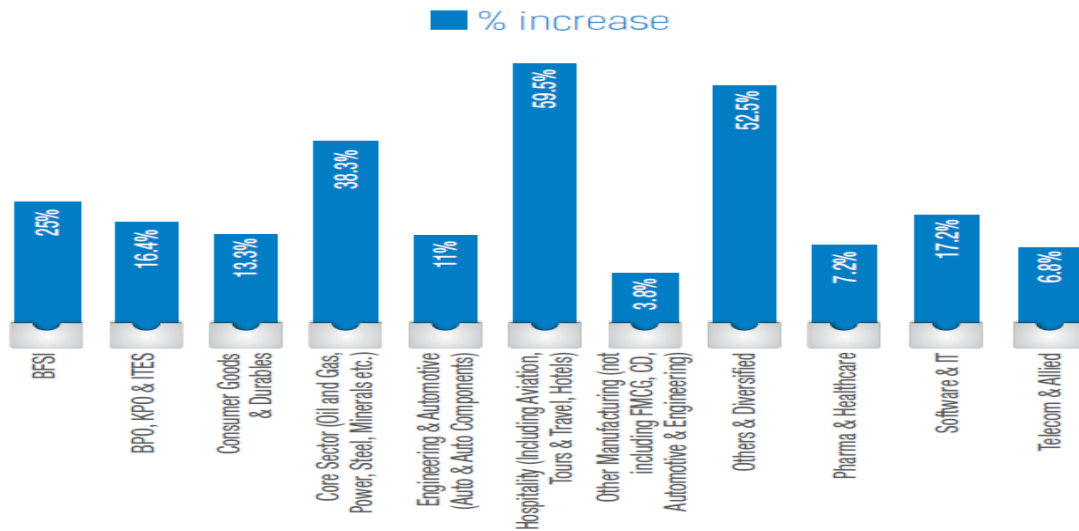
Source: <https://pharmexcil.com/uploads/tradestatistics/ExportAnalysisfor201518.pdf>

Table and Data reveals that, since financial year 2015 to 2018 there is up and down in export of Indian pharmaceutical products. Year 2016-17 shows negative growth in export of Indian Pharmaceutical Products compared to previous year.

➤ Employment Growth

Job creation in Indian pharmaceutical sector ⁹⁻¹²

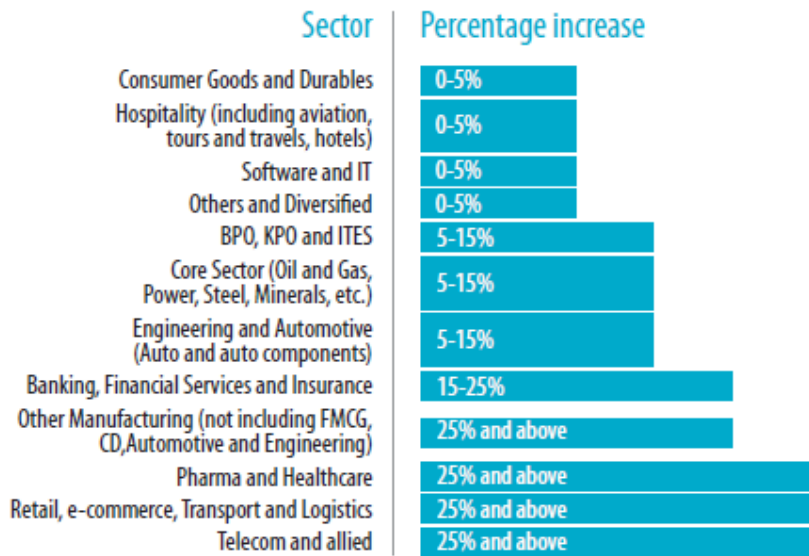
PERCENTAGE INCREASE IN HIRING NUMBERS



Source: <https://wheebox.com/logo/India%20Skills%20Report2015.pdf>

Chart shows that, in financial year 2015 pharma and healthcare sector increase the number of job at the growth rate of 7.2% compared to previous year.

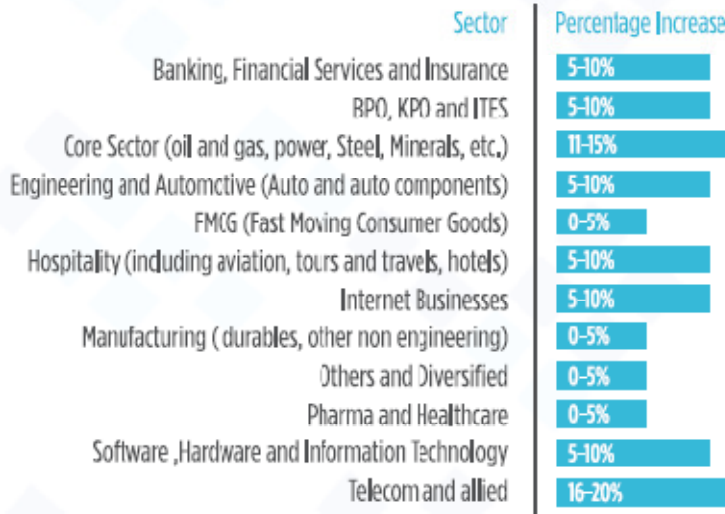
PERCENTAGE INCREASE IN HIRING NUMBERS



Source: <https://wheebox.com/logo/ISR-2016-small.pdf>

Chart shows that, year 2016 shows 25% and above growth rate of job creation from Pharma and healthcare sector.

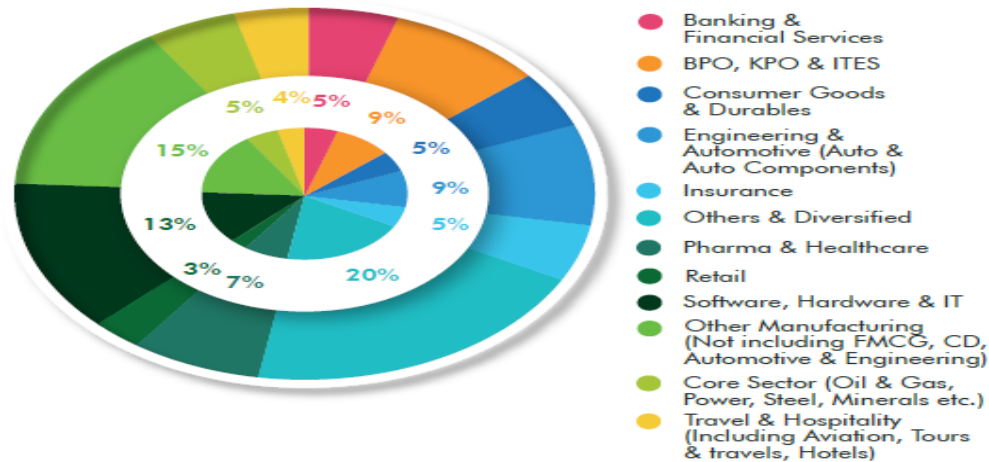
INDIA HIRING INTENT



Source: https://wheebox.com/static/wheebox_pdf/india-skills-report-2017.pdf

Chart reveals that, growth range of number of job creation in Pharma and Healthcare sector is 0-5% in financial year 2017.

RESPONDENT BY SECTOR



Source:- https://wheebox.com/static/wheebox_pdf/india-skills-report-2018.pdf

Chart reveals that, in year of 2018 the Indian Pharma and Healthcare sector increase number of job at 7% growth compared to 2017 year.

VI. Conclusion:

- Indian Pharmaceutical companies shows continuous growth rate of export registration under pharmaceutical export council of India under Make in India Programme has increase the scope of Indian Pharmaceutical companies to become global competitive.
- Average annual turnover growth 16.98 US \$ in Millions of Indian pharmaceutical companies from year 2015 to year 2018 shows that manufacturing of Indian pharmaceutical products has increase under Make in India Programme.
- Foreign Direct investment increase on an average 873.66 US \$ in Millions in Indian Pharmaceutical sector shows that foreign players are attracted towards Make in India Programme since from year 2015 to year 2018.

➤ Indian Pharmaceutical products export on an average of 16,990.93 US \$ in Millions from India shows that increase global demand of Indian Pharmaceutical products under Make in India Programme since from year 2015 to year 2018.

➤ Indian Pharmaceutical companies has generated employment on an average growth rate 11.05% since from year 2015 to year 2018 shows that increase job creation in Indian Pharmaceutical sector under Make in India Programme.

➤ Over all Make in India Programme has increase the scope of Indian Pharmaceutical companies to become more global competitive, conduct more research activities and more contributes in Indian economic growth.

VII. References

1. <https://www.ibef.org/economy/make-in-india>

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3. Pharmexcil, Department of Pharmaceuticals, PwC, McKinsey, TechSci Research

4. FICCI - Trends & Opportunities for Indian Pharma 2018, Pharmexcil, TechSci Research, Assocham and RNCOS

5. PharmexcilAnnualReport_2017_18.pdf

6. Department of Pharmaceuticals, PwC, McKinsey, AIOCD AWACS, , IQVIA, CII

7. https://dipp.gov.in/sites/default/files/FDI_Factsheet_12March2019.pdf

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12. https://wheebox.com/static/wheebox_pdf/india-skills-report-2018.pdf

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