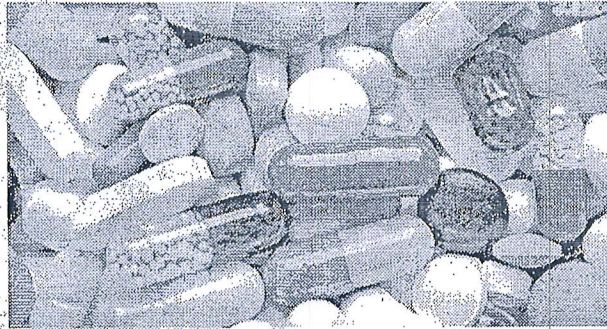


## Pharma sector growth may remain strong

MUMBAI, Oct 4: Growth momentum of the domestic pharma sector is likely to sustain in the near-to-medium term owing to steady demand witnessed across therapy segments, regular new launches and price hikes taken by companies, a report by rating agency ICRA said.

"With steady demand being witnessed across therapy segments, regular new launches and price hikes taken by the companies in line with Drug Price Control Order (DPCO) guidelines, we expect growth momentum to sustain in the near-to-medium term," the report said.

The regulatory risk of additional therapy segments being brought under control remain a concern with NPPA proposing to bring at least 100 more drugs under control by making corrections to DPCO



2013, the ICRA said.

After experiencing moderation in the growth momentum in FY 2014 on back of price cuts and trade related disruptions, the growth in the domestic pharmaceutical industry bounced back with the industry registering a growth of 12.9 per cent on MAT basis as on March 2015 and 14.3 per cent as on June 2015. Much of this recovery has been led by price

hikes implemented by companies in their National List of Essential Medicines (NLEM) portfolio, stabilisation of supply related issues, and increased market penetration.

In addition, the lifestyle oriented therapy segments have continued to grow steadily, which along with increased focus by companies towards introducing new products and enhancing field force productivity has also con-

tributed to the growth momentum, the report said.

The ICRA also expects steady growth of pharma sector in US market over the medium term.

"We believe Indian companies would continue to experience steady growth in the US over the medium-term on back sizeable generic opportunity (drugs with brand value of USD 25-30 billion are expected to face generic competition over the next 2-3 years) and strong product pipeline of pending ANDAs with high increasing proportion of complex generics that compares favorably with generic majors such as Teva and Mylan." The recent acquisition by companies such as Lupin and Cipla are likely to further support scaling-up of business, it said. - PTI

Industry