

Drug retail sales up 18% in 2010 as cos take rural roads

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SALES in the domestic drug retail market rose a healthy 18.36% during 2010, making India an attractive destination for foreign players who have been looking to buy local companies to increase exposure in one of the fastest growing healthcare markets globally.

The size of Indian drug retail market crossed ₹46,500 crore for the 12 months ended November 2010, according to research firm IMS Health Information and Consulting Services. The stock market also captured the double digit growth in the pharma market with BSE Healthcare, a share index of drugmakers generating 31% returns for shareholders, better than the market benchmark Sensex.

Ranjit Kapadia, VP Institutional Sales at brokerage HDFC Securities who tracks pharma companies said, "Many companies forayed in rural market through new marketing teams and channels expanding the overall market."

American drugmaker Abbott Laboratories, which acquired Mumbai-based Piramal Healthcare's domestic branded medicines business for \$3.7 billion in



May this year, held on to its top position with a 6.9% market share despite a sluggish growth of its new business.

The acquired business, grew a meagre 12.7% for the 12-month ended November 2010 over the year-ago period. For November alone, it was the worst performer among the top 20 drugmakers with a mere 1.1% growth.

Sales of its best selling brand cough syrup Phensedyl fell as much as 72% to ₹5.4 crore in November, due to shortage of raw materials. This has pushed Phensedyl down to the fourth position among the top selling medicine brands in the country. Till recently, it used to compete closely with Pfizer's cough syrup Corex, the best selling drug in India.

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