

High demand in Africa for Indian pharma significant

DR SANJAY AGRAWAL

THE global pandemic Covid-19 has brought to the fore the intricate interdependencies within the international pharmaceutical market. China is the epicentre of the worldwide outbreak, is also the world's largest supplier of the active pharmaceutical ingredients APIs known to be the bulk drug. India is the leading exporter of generic drugs all across the globe. India is dependent on China for more than two-third of bulk pharma needs.

Estimating the exports that India does to Africa is of enormous range. Africa is a developing region, has few areas where development hasn't yet taken place. It suffers from lack of action and thus dependent on India for all sorts of pharma products, be it generic drugs, end-products or even Ayurveda supplies.

The vulnerability that has impacted by the pandemic has created disruptions across the pharmaceutical supply chains. The excellent opportunity here for India is to reassess the dependencies and the plan to export pharma ingredients in future.

Africa: The launchpad of Indian pharma export

As per the Indian Government's estimation, India ranks around 3rd worldwide to export and produce pharmaceutical and exporting of pharmaceutical ingredients. It ranks 13th across worldwide production, which is measured by 1.5% value. The high demand of the global market, especially in Africa, for the Indian pharma ingredients is significant. A significant supply of affordable low price drugs is exported to Africa. India gets a role as a pharmacy of the world as acknowledged by the experts.

Africa faces various challenges when it comes to ensuring equitable access to lifesaving drugs. The drug prices in this continent are unregulated, and the locally produced drugs are expensive compared to the imported ones. The countries in Africa are heavily dependent on imports to meet their pharmaceutical needs. Further, the medicine delivers the system in the country that is burdened by the poor implementation of the regulatory policies.

East Africa particularly suffers from a shortage of both factories and trained human resources. India being a widely known global pharmacy, meets the local needs of the foreign demand for medicine. India focusses on the setting up of robust and sustainable domestic pharmaceutical industry. Recently the news of India's being alone in making pharma end to end products without the help of China was in the news.

India's trade expansion strategy is the main objective of the broader diversification. The export profile of India in terms of both products and destination is a matter of discussion. India's export push focusses on pharmaceutical ingredient export, and Ayurveda export at the demand of Africa is phenomenal support to the continent. With the help of India's exported pharmaceutical end to end products, the phar-

ma market in Africa is much improved.

The long term trend of pharmaceutical exports from India to African countries will experience a sheer increase in growth. The formulation of the bulk drugs away from the formulation of the finished drugs is exported from India at a traditional level.

Pharmaceutical exports from India

The Indian pharmaceutical exports are gaining significant momentum. A raw material base and availability of a skilled workforce gives the pharmaceutical industry a more substantial boost. The Indian pharmaceutical industry is expected to grow at a compound annual growth rate of 22.4% to touch around \$55billion and more in coming years. India plans to set up a fund to boost companies to manufacture pharmaceutical ingredients domestically by 2023. India highly benefits Africa in terms of pharma related exports of the products and ingredients.

In 2017, India fared much better than China in terms of pharmaceutical formulations across the 10 export markets of pharmaceuticals in Africa. It included the countries like South Africa, Morocco, Kenya, Algeria, Ethiopia, Tunisia, Sudan, Tanzania, and Nigeria. Regarding the bulk pharma ingredient export - India blind spot the global pharma market when it comes to generics! With strategies, India will reduce the dependency on China for drugs in the coming years.

With the pharmaceutical ingredient export implication to Africa, the Indian pharma sector is already diversified in producing more generics and biosimilars. In Africa, areas like Kenya, Nigeria, and South Africa have a sizeable industry with dozens of companies that offer a local market for export to the neighbouring countries. The APIs exported from India formulate the finished pills, creams, capsules, syrups and other finished drugs. Africa is limited to packaging, like purchasing medicines and other finished medicines in bulk and repackaging them into consumer-facing packs. There are three areas-two in South Africa and one in Ghana, but without effectual help from India, the local pharma market can't stand alone.

In terms of Ayurveda, it is a much desirable ancient system of healthcare. India's share in exporting herbals to the African market is much less as compared to the pharmaceutical growth. The scope of Indian manufacturers for entering the growing worldwide opportunity of business in the herbal pharma field is quite a noticeable factor. The traditional medicine used in African countries is from ancient times. India exports much fewer herbals compared to other countries. Africa presents 6% export. The continent is highly dependent on India, for pharma is also responding when it comes to herbal ingredient export from India to Africa.

Strategical and current estimations of pharma ingredient export from India to Africa

At a global range, the business of pharmaceuticals is on a constant change. Two significant shifts have disrupted this sector. The first is the imbalance of power in the healthcare sector between the government and medical aid providers. In contrast, the other involves the reactive healthcare to the stage of prevention that attracts the new entrants and the unsettle status-quo. The pharmaceutical players in Africa are mainly growing at a disposable income, per diverse demographics, age population and diversified burden. The country's evolution framework is based on the world-class private healthcare sector where the developed nations have access. The pharma ingredient export from India to Africa is the lifeline for the country.

There is a rough evaluation and estimation that 20 per cent of India's pharma export goes to around \$17billion to the African countries. India being a significant contributor of export in pharma products, has gained a higher significance for steadily establishing a close bond with the developing nations of Africa. The partnership has approached the relevant healthcare authorities and started with the direct export of pharma ingredients and end products to Ethiopia, Tanzania, Uganda, Zimbabwe, Madagascar, Namibia, Kenya, Ivory Coast, and Botswana.

The export of pharmaceutical ingredients between Africa and India has developed an increased strength. India being in a position of an aspiring joint venture in the league of gaining importance at the foreign market in exporting pharma, has started with Africa and estimates to show remarkable growth in other countries in the next five years.

India's future in the primary pharmaceutical market in Africa

As per the analysis, there are three most important markets for India to enhance the export in Africa. The areas include South Africa, Algeria and Egypt. India is in a position of considerable improvement when it comes to pharmaceutical ingredient export to Africa. There are thriving domestic pharma industries in South Africa. India sources 28.3% of the imports of finished drugs and contributes to 3% of the bulk drugs. India succeeds to expand its finished drugs in the African market.

India desires to bring down the healthcare costs of the continent and train the community on manufacturing pharmaceuticals and medical devices. India has the lowest manufacturing cost rate in comparison to the US and Europe. The aspiration and ambition of the country, India, aims to be a more significant player in expanding the pharmaceutical market and growing economic benefits. ○

(The author is a leading pharmaceutical consultant)

