

Scope for India in exports to Middle East and Africa

DR SANJAY AGRAWAL

INDIAN pharmaceutical companies are working hard to strengthen presence in the Middle East and Africa in regard to Active Pharmaceutical Ingredients (APIs). Government is keen on consolidating its economic and trade relations with Middle East and Africa. Currently, Middle East pharma units are opening up for the Indian APIs for their in-house formulation manufacture.

The trading relations are good. It is sourced out to many multinational companies where India is preferred for the APIs. Even though India ranks third in the most significant volume of products, the highest US FDA plants, and source of the qualified pharmaceutical workforce, it is gaining immense growth in these regions.

Indian pharma exports grew to 7.57%.

Since the 1980s, when the pharma sector was highly reliant on API exports from Europe, India's active pharmaceutical ingredients (API) industry has come a long way. As per RNCOS, the domestic consumer market for APIs is predicted to grow at 10% CAGR between 2015 and 2022, with the industry reaching a size of \$18.8 billion in 2022. According to the IBEF, India's global generic API merchant market share was

7.2 per cent in 2016, making it the third-largest at the time.

As per the latest news, until March end 2021, Indian API exports have grown to 18.7% to

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\$24.44 billion in the financial year, spurring the strong demand for the country's generic drug. The industry posted its best export performances in value terms despite the global pharma market shrinking by 1-2% as per the 2020 update. The surge in demand is made in Indian generics owing to the quality and affordability.

India counts as the second-largest commodity exporter in the formulation of drugs and biologicals. Pharmaceutical exports have increased by 7.57% to \$20.58 billion. There is an extraordinary leap in the export of APIs recorded till March 2021 to \$2.3 billion. The year's earlier period performance was hurt by the lockdown and disruption of the supply chain.

Exports to Africa increased 13.4% as against the previous fiscal's growth of 2.24%. South Africa emerged as the second-largest market for Indian pharmaceuticals. Exports to the country increased 28%, while Nigeria, Kenya, and Tanzania were the other significant markets in Africa. There is a growing demand for Indian pharmaceutical products in the Middle East, 17.5%.

Import and Exports of APIs in the Middle East and Africa Market for Indian Companies

India shares a significant rapport with African and Middle Eastern countries in exporting Active Pharmaceutical Ingredients. The import market is also quite impressive for Indian companies. The India-Africa relationship is built upon mutual faith beyond strategic ties. Africa and Middle East countries' economic gear has grown well in the last 15 years with the help of Indian pharma companies.

There has been a pan-African dramatic shift in favour of Eastern Africa from 32% to 40%. The study highlighted many elements such as GDP, distance, and their response to Indian exports to establish a future roadmap for Indian API exports in the African market. The gravity framework clearly shows that Indian exports are substantially and significantly responsive

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Scope has expanded in leaps and bounds

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to changes in India's GDP, African countries' GDP, the distance between India and African countries, and India's and Middle East, African nations' per capita income.

India's trade complementarity with various African and Middle East countries has dramatically increased. India's export pattern has become more linked with Africa's import pattern, indicating a possible increase in exports to African countries. Furthermore, India's trade complementarity with Western and Eastern Africa is more remarkable than other African regions. Western and Southern Africa may show rising patterns for Indian exportable products related to the alignment of Indian exports with African demand.

India's Market Share of Excipients is increasing Exponentially

The continuous expansion of India's API sector, mainly through higher exports, is expected to benefit the country's excipients and intermediates producers directly. According to Beroe, India's excipients market is rising at a rate of 10% to 12%, which is twice as fast as the global average.

Price is still a significant consideration when selecting an excipient provider. India's high excipient market growth rate can be attributed to

products being 5 per cent to 7 per cent cheaper in India than in the industrialised world. On the other hand, quality and product safety will always be crucial in an industry that demands perfection.

With demand for excipients expected to rise over the next decade, Indian companies will need to stay on top of increasingly stringent regulations enforced by multiple regulatory bodies across critical markets and the technological demands posed by pharma to remain competitive on a global scale.

The Most Popular APIs in India based on Volume (tonne)

There are over 25 APIs that are exported in quantities more than 500 tonne, with Metformin having the most significant volume of about 16,000 tonne. With a volume of around 13,000 tonne, paracetamol is the second most exported API. Wrenbury Limited and Harman Finocem Limited are two well-known Metformin manufacturers, while Granules India Limited and Sri Krishna Pharmaceuticals Limited are two renowned paracetamol manufacturers.

The Most Valuable APIs in India's Market (\$Millions)

Cefuroxime has the most significant export

value of \$94 million, and Aurobindo Pharma Limited and Nectar Lifesciences Limited manufacture it on a considerable scale. Omeprazole is in second place in weight, with roughly \$85 million in sales, and is primarily manufactured and exported by Hetero Labs Limited and Cadila Healthcare Limited.

The scope of Indian companies in the import and export of APIs, especially in Africa and Middle East companies, has expanded in leaps and bounds. India being the sole contributor to these nations, has significantly made a dominating place for more growth of the countries with these Active Pharmaceutical Ingredients. India has been able to intensify in the African countries.

There has been a line worth 10 billion for the development of projects over five years. India pledges to assist these nations with million and export APIs for their growth. Africa's business climate has been improving. Around 600 Indian firms have invested in Africa, but the top 11 account for almost 53% of all Indian investment in Africa and Middle East. Thus, different thrust (sustainable) and potential APIs are found for other Africa and the Middle East regions, where India has a significant advantage based on the comparative advantage study. ○

(The author is a leading pharmaceutical consultant)



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