India's pharma market set to reach US$120–130 billion by 2030, led by high-value products, says Dr. Sanjay Agrawal

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Dr. Sanjay Agrawal, Scientific Advisor of ALKOMEX GBN PHARMA USA

India's pharmaceutical industry is entering a decisive transformation phase. As the market heads toward US$120–130 billion by 2030, growth is shifting from volume-driven generics to high-value, innovation-led segments such as complex generics, biosimilars, injectables, and specialty therapies. At the same time, the industry is strengthening API security, expanding global markets, adopting digital and AI-driven operations, and raising quality and sustainability standards. Together, these shifts position India to evolve from a global generics powerhouse to a comprehensive, high-value pharma leader.

In a conversation with **ET EDGE INSIGHTS, Dr. Sanjay Agrawal, Scientific Advisor of ALKOMEX GBN PHARMA USA,** shares his insights on the way forward in the Indian pharmaceutical industry.

How is the Indian pharmaceutical industry expected to grow between 2026 and 2030, and which product segments show the most promise?

India is projected to grow at around 8–10% CAGR, with the market headed towards US$120–130 billion by 2030. Beyond conventional generics, the big opportunities are in complex generics, biosimilars, injectables, and specialty therapies (oncology, diabetes, autoimmune). APIs with China-plus-one relevance and value-added formulations for chronic diseases will likely see outsized focus.

India supplies nearly 20% of global generics—what is the next stage of evolution for the industry?

The next leap is moving from a volume story to a value story. India is the largest provider of generics by volume and a major vaccine supplier, but still under-indexes on value. The focus now must be on high-value complex generics, biosimilars, novel drug delivery systems, and CDMO services, while keeping our cost-competitiveness and compliance strength intact.

With pricing pressure in key markets, can Indian pharma expect cost and margin improvement in the coming years?

Short-term, US price erosion, higher regulatory costs, and input-cost volatility will keep margins under pressure. Over the medium term, margins can improve if companies:

- De-risk from single-country API sourcing,
- Move up the value chain into complex products and CDMO,
- Leverage schemes like PLI for scale and technology upgrades.

So yes, margins can recover, but not by cost-cutting alone- it needs a portfolio and capability upgrade.

What is the realistic roadmap for India to reduce API dependence on China?

Today, India still imports a significant share of its APIs and key starting materials from China- roughly 70% of API imports by value are China-linked. The path forward is:

- Operationalizing bulk drug parks,
- Using PLI to support fermentation- and complex chemistry-based APIs,
- Adopting continuous processing and greener routes.

The goal isn't zero dependence: it's strategic resilience in critical APIs.

In the context of tariffs and global trade disruptions, how should Indian pharma approach export diversification?

The US will remain a core market, but reliance on a single geography is risky. India is already diversifying into Africa, Latin America, Southeast Asia, and even expanding finished-dose exports to China. Companies should build multi-market portfolios: highly regulated markets for complex products, and semi-regulated markets for volume, branded generics, and tender-based business.

What types of manpower and skills will the Indian pharma industry require over the next 5–10 years?

We will still need strong core chemistry, formulation, and quality talent- but layered with:
- Biologics and biosimilar expertise,
- Digital and data skills (AI/ML for discovery, pharmacovigilance, process optimization),
- Regulatory and global compliance literacy.

For students, it's no longer enough to know only synthesis or QC; you need a cross-functional understanding of GMP, data integrity, and basic business drivers.

How are digital technologies and AI practically transforming pharma in India?

We're seeing impact in three zones:

- R&D: AI for target identification, formulation screening, and predictive toxicology.
- Manufacturing: automation, PAT, and data analytics to reduce deviations and improve yield.
- Commercial: smarter demand forecasting and supply-chain visibility.

The winners will be companies that treat data like a core asset, not just a compliance requirement.

With increasing regulatory scrutiny, what changes are needed at the ground level in Indian manufacturing plants?

First, we should accept that quality is a strategic differentiator, not a cost centre. That means:

- Building a right-first-time culture,
- Investing in training at the operator level,
- Strengthening data integrity systems,
- Encouraging employees to speak up about deviations without fear.

Regulators already see India as a critical global supplier; we must consistently prove that scale and quality can co-exist.

How critical is sustainability becoming for Indian pharma, especially in API and intermediate production?

It's moving from "good to have" to a license to operate. API manufacturing is resource- and waste-intensive. Expect:

- Pressure from global buyers on carbon footprint, solvent recovery, effluent management,
- Greater adoption of green chemistry, continuous flow, and enzyme catalysis,
- ESG metrics becoming part of long-term contracts.

Companies that invest early will find it easier to win regulated-market contracts and global partners.

Where do the most promising career opportunities lie for pharma students in the coming decade?

Three big buckets:

- Advanced manufacturing & quality – sterile, injectables, biologics, high-potency facilities.
- R&D and clinical – formulation development, bioequivalence, biostatistics, pharmacovigilance.
- Cross-over roles – regulatory affairs, market access, medical writing, data analytics. If you combine scientific depth with digital skills and communication, you'll be in the top 10–15% of the talent pool.

Will India continue to dominate in formulations, or can it also regain leadership in APIs?

India is already a leader in finished formulations and generics exports, with ~20% global generic export share. APIs are in a rebuilding phase. With bulk drug parks, PLI, and technology upgrades, we can regain share in critical and complex APIs, not necessarily in all commodity molecules. The likely end state: strong in both, but with a sharper, more selective API portfolio.

How do nutraceuticals fit into the broader healthcare ecosystem today—are they supplements, adjunct therapies, or something more?

Nutraceuticals are gradually moving from being seen as "optional supplements" to evidence-based adjuncts in prevention and chronic disease management. The real opportunity is in bridging nutrition and medicine, designing products with clear indications, defined activities, clinical data, and transparent labelling, so physicians, nutritionists, and consumers can trust and use them rationally.

What is the practical impact of nutraceuticals operating in a grey zone between food and drugs?

The grey zone creates both flexibility and confusion. Flexibility for faster innovation, but confusion for doctors, chemists, and consumers. Clearer category definitions, claim standards, labelling norms, and post-marketing surveillance will help serious players stand out.

Companies that voluntarily maintain pharma-grade quality and documentation- despite being in a “food” bucket- will build long-term trust.

How can API manufacturers and formulation companies collaborate effectively with nutraceutical brands?

There’s a big opportunity in shared capabilities:

- Using pharma-grade plants and quality systems for nutraceutical lines,
- Co-developing condition-focused packs (e.g., diabetes drug + metabolic support nutraceutical),
- Offering CDMO services for global nutraceutical brands.

Instead of treating nutraceuticals as a competing vertical, pharma can treat them as a value-adding extension of its core strengths.

Can India emerge as a global hub for nutraceutical exports similar to its success in generics?

India already has strengths in botanical raw material, cost-efficient manufacturing, and formulation expertise. If we combine that with:

- Standardized extracts and robust quality control,
- Country-specific formulations and dossiers,
- Strong branding and digital education,

Then India can absolutely scale as a trusted nutraceutical partner for Asia, Africa, the Middle East, and even select Western markets.