


The Indian pharma sector – Q4FY25

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The Indian pharma sector is currently one of the largest providers of generic drugs globally which is known for its affordable vaccines and generic medications¹




Projected market size FY30¹

INR 11.1 tn




India's contribution to medicines in the U.K. (2025)¹

25%



Indian generic medicine demand in the U.S. (2025)¹

40%



Drugs and pharmaceuticals exports (10MFY25)¹

INR 2.1 tn

Segmental performance

India produces 60,000+ generics drugs across 60 therapeutic categories and supplies 500+ APIs^{*1}

Contribution to global generic drug exports¹

20% (FY25)

Indian bioeconomy (third largest in APAC region in FY25)¹

INR 26 tn by FY30

API^{*} market (third largest globally in FY25)¹

8% share in global API^{*} industry

Biosimilar market (INR 1 tn by 2025)¹

22% CAGR by FY25

Supply from India for global vaccine demand¹

50% (FY25)

*Active Pharma Ingredients

Performance snapshot

Drivers

Production Linked Incentive (PLI) scheme for 41 bulk drugs¹

INR 6,940 cr

Government incentives under PLI for FY21-30

India offers cost-effective treatments, attracting global medical tourism¹

30-35%

Lower manufacturing costs than in the U.S. and Europe

Growing biotech industry¹

3-5%

India's share of the global biotechnology industry, ranking in the top 12 destinations worldwide

Challenges

Expiration of drug patents²

INR 20.7 tn

Blockbuster drug sales to be impacted by a significant patent cliff between 2022 and 2030

Dependence on API^{*} imports³

65-70% (FY25)

China contribution of total Indian API^{*} imports with major sourcing of KSMs^{}**

*API - Active Pharma Ingredients
**KSMs - Key Starting Materials

Regulatory and policy formations⁴

Government enforces zero-tolerance on medicine quality with ongoing investigations and strict measures against counterfeit drugs

Outlook

Projected value of the Indian pharmaceutical packaging market (FY30)¹

INR 259 bn

Contribution to pharma market by cardiac, gastrointestinal and anti-diabetic segments⁵

34%

Hospital beds to be added annually, with new business models for tier-II and III cities in the next decade¹

160,00

Government incentives under interim budget 2024-25, for the promotion of bulk drug parks

INR 10 bn

Key takeaways

Investments, innovation and healthcare demand impacting growth

Increased government investments¹

100 500 1000

Second largest contributor of global biotech and pharma workforce (FY25)¹

34%

High utilisation of technology to manufacture pharmaceuticals¹

20%

Expected increase in the patient pool by FY30 due to rise in population¹

20%

Emerged as medical tourism hub due to cost-effective treatments¹

20%

Sources: 1) Indian Pharmaceutical Industry, IBEF, February 2025; 2) An Analysis on leveraging the patent cliff, Department of Pharmaceuticals Ministry of Chemicals & Fertilizers, August 2023; 3) Indian API Industry, ICRA, August 2024; 4) Union Health Ministry takes swift action against Spurious Drugs; Major Seizure in Kolkata, PIB, 31 December 2024; 5) Booster shot as India's pharma market grew 8.4% in FY25: Pharमारack, IBEF, 11 April 2025

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