

Indian's big pharma companies finding new growth opportunities in China

July 31, 2019 | Analysis

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Indian pharmaceutical companies are finding lucrative opportunities for growth in the Chinese pharma market, which is set to rise from nearly US\$132bn in 2018 to more than US\$209bn by 2022, says GlobalData, a leading data and analytics company.

Prashant Khadayate, Pharma Analyst at GlobalData, comments: "The Chinese pharma market is the second largest pharma market in the world by value after the US and Indian companies are taking advantage of China's favorable regulatory landscape and strong growth potential to market their products in the country."

The presence of Indian pharmaceutical companies in the Chinese market has historically been negligible as the complexity of the country's medical regulations has previously been a barrier to them operating commercially viable businesses in the country. Indian players such as Ranbaxy (now Sun Pharma) and Cipla have exited China for this reason. In addition, Dr. Reddy's Laboratories (DRL), which initiated its operations in the country two decades ago, still only has a limited presence in the country considering the potential of the Chinese market.

Khadayate continues: "The overhauling of China's pharmaceutical regulatory policies has opened up various opportunities, mainly around the branded or formulation business. Following these changes, major Indian companies have started to develop strategic plans to drive future growth in the country."

Leading Indian pharma companies are taking a number of different approaches to grow their businesses in China. Aurobindo, Alembic Pharma and Cipla have established joint ventures (JV's) with Chinese companies while DRL has already identified a product portfolio of 70 drugs to target the Chinese market through its subsidiary, Dr. Reddy's (WUXI) Pharmaceutical Co. Limited in collaboration with JV partner, Kunshan Rotam Reddy Pharmaceuticals Company Limited.

Khadayate concludes: "The biggest Indian pharma player Sun Pharma is looking for a JV partner in the country with Lupin Pharmaceuticals also exploring ways to establish its presence in China. Supplying quality drugs at an affordable price in collaboration with a local partner through JV's is undoubtedly the way forward for Indian pharma companies to successfully market their products in China and achieve market growth."