



Sustainability and sustenance approaches of Indian Pharma during Covid Pandemic

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Abstract: A major goal of pharmaceutical companies is to develop and deliver medicines intended to extend or improve the lifespan. Economies around the world have been hit by COVID-19, with businesses suffering losses, workers out of work, and many facing the challenges of complete lifestyle upheaval. But pharmaceutical companies are at the centre of his battle against COVID-19. Pharmaceutical businesses are responding quickly to issues brought on by interrupted business operations in this unprecedented period. But pharmaceutical companies are also part of their business and need to improve their bottom line by investing in business value drivers. Additionally, there is a chance that negative impacts on R&D and manufacturing operations, as well as project delays relating to the core supply chain and data management industries, might last for a medium-to-long time. Nearly every industry has been affected by the coronavirus (Covid-19), which has also severely impacted the world economy. There is no exception in the pharmaceutical sector. Due to the COVID epidemic, this essay addresses the viability and content of Indian pharmacies. The work is based on secondary data, which was mostly gathered from corporate websites, online newspapers, pharmaceutical journals, research papers, and other published reports and publications.

Key Words: Covid, Sustainability, Pharmaceuticals, Indian Pharma Sector.

1. INTRODUCTION:

The Indian pharmaceutical market is growing rapidly and, as the world's third largest pharmaceutical industry, has an important place in global healthcare. The Indian pharmaceutical sector has seen a surge in both domestic and foreign investment over the past ten years. As shown in Figure 1, 2011–2019 saw little change in the total number of deals, but 2020 saw a significant increase in the number of completed deals. The number of transactions increased by 22% between 2019 and 2020.

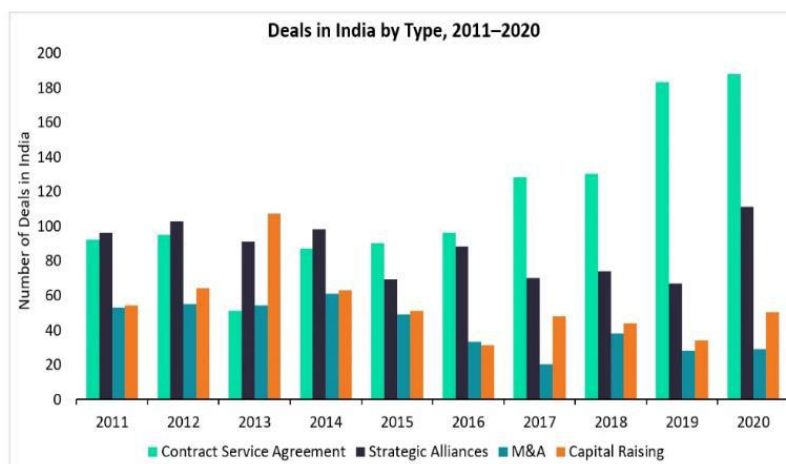


Figure 1: Deals in India

Source: Global Data

The worldwide COVID-19 outbreak has brought to light the intricate interdependencies present in the global pharmaceutical industry. The world's largest source of active pharmaceutical ingredients (APIs), also known as active pharmaceutical ingredients, is China, the epicentre of the worldwide pandemic. China supplies more than two-thirds

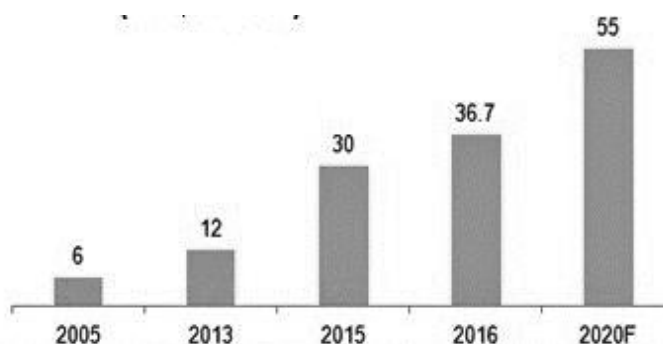


of the bulk pharmaceuticals that India, the top supplier of generic medications, needs. According to estimates, India meets up to 50% of the United States' demand for generic medications, and COVID-19's vulnerabilities have disrupted the world's pharmaceutical supply lines. It is most likely an excellent time for India to assess its reliances and make future plans. India is the world's third-largest pharmaceutical manufacturer by quantity and the thirteenth-largest by value, according to estimates from the national government. She contributes 1.5% of the world's value and 10% of the volume of output. This apparent mismatch reveals that Indian pharmaceuticals are very inexpensive and in significant demand in the international market. India is regarded as the "World's Pharmacy" and is a major exporter of inexpensive and accessible medications to other countries. By 2030, the Indian pharma sector hopes to overtake all other pharma suppliers globally. India wants to increase industry income from its present level of \$38 billion to \$120-130 billion by 2030, at a CAGR of 11–12%. India's trade growth plan heavily includes pharmaceuticals. India wants to expand its exports, notably in areas of either items or destinations.

2. PROBLEMS FOR THE INDIAN PHARMA SECTOR WORLDWIDE:

By 2020, the Indian pharma market is anticipated to be among the top 10 worldwide industries in terms of value. The domestic market is expanding because of a high illness burden, strong economic development resulting in more disposable income, improved health infrastructure, and better care funding. Between 2005 and 2016, the Indian pharma industry increased at a cumulative yearly growth rate (CAGR) of 17.46%, going from US\$ 6 billion in 2005 to US\$ 36.7 billion in 2016, an increase of US\$ 15.92 billion. A CAGR is anticipated for its growth. By 2020, it will raise the proportion to \$55 billion.

Table 1: Indian pharma industry income (in billions of dollars)



Source: TechSci Research, PwC, McKinney and the Division of Pharmaceuticals

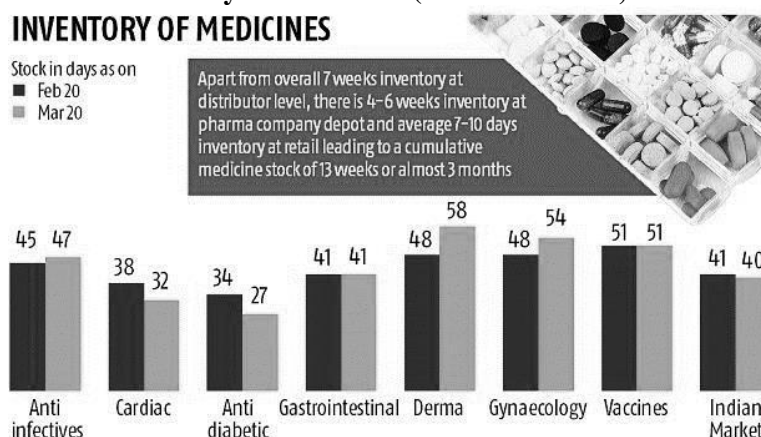
3. COVID 19 AND INDIAN PHARMA INDUSTRY:

The COVID-19 outbreak has also given Indian pharma firms the chance to establish themselves as desirable alternate facilities for producing APIs and intermediates. The federal administration has implemented a number of steps to promote local manufacture of APIs and KSMs approved in response to this opportunity and its declaration that the Indian pharma industry's reliance on Chinese APIs poses a threat to national security. It includes approval of a Rs 3,000 crore initiative to establish three bulk drug parks in collaboration with three states, as well as a 20% financial incentive for producers to produce 53 essential bulk medications over the next six years, which are then utilised to create medicines. The programme is anticipated to lower domestic bulk medicine manufacturing costs and the nation's reliance on imports. With the help of this incentive from the federal government and the knowledge gained via COVID-19, Indian pharmaceutical businesses may shift their worldwide footprint and, more crucially, lessen their reliance on a single supplier, such as China. The Indian pharmaceutical sector is making every effort to prevent any disruptions in the manufacture of the critical medications needed to combat the coronavirus outbreak. All the big businesses have joined forces in an unprecedented endeavour to share resources and provide knowledge-based assistance to one another.

For small and big enterprises, capacity utilisation is 60–70% at the all-India level, which is greater than most other industries. The largest corporations in India were still able to conduct business as usual despite the crisis, according to the Indian Pharmaceutical Federation (IPA), a lobbying body that represents the 25 biggest companies in India. The pharma sector has implemented stringent safeguards to guarantee the security of workers attending its facilities, and the IPA has since made recommendations that the majority of businesses now adhere to.



Table 2: Inventory of Medicines (Stock as on Feb, March 2020)



Source: AIOCED AWACS

4. ENCOUNTERS OF PHARMA SECTOR:

The pharma sector has implemented stringent safeguards to guarantee the security of workers attending its facilities, and the IPA has since made recommendations that the majority of businesses now adhere to. The unknown effects of the global and Indian pharmaceutical industries' supply chains due to the coronavirus COVID-19 pandemic were of special concern. The fact that COVID-19 affected China the earliest and worst added to worries. By volume, China is the top producer and exporter of active pharmaceutical ingredients (APIs). Many pharmaceutical companies in India and other countries import a large portion of their raw ingredients from China. Between January 2020 and March 2020, China was under lockdown for more than two months while battling COVID-19.

Drug and raw material prices:

The probability of rapidly rising raw material and pharmaceutical prices has increased as a result of COVID-19 interaction in China and lockdowns in the US, India, and other nations. 13% of manufacturers of branded and generic drugs are leaving China. In 2018, the FDA reported that 24% of medications and 31% of pharma components were imported from India. The price of paracetamol in India has reportedly increased from INR 250–300 per kilogramme to INR 400–450 per kilogram. Penicillin and vitamin costs have soared by 40–50% in India. The cost of essential medications might increase should the current situation persist.

Supply chain:

Pharmaceutical supply chains are fragile and are back in the spotlight due to the impact of COVID-19. Generic medicine profits are extremely low, and the supply chain is tight. His API facilities are frequently located abroad, and India and China control the majority of his API business. A single facility may produce active substances with low inventory needed at each stage. Drug shortages due to this issue can occur at any point and can persist anywhere between 14 months and three years on average. For some medications, like hydroxychloroquine and chloroquine, which are the most talked-about medications during these pandemic periods, the current scenario may result in shortages and increasing demand. For the time being, no shortages are anticipated.

FDA guidelines:

The FDA may be forced to allow relaxation in some areas due to the effects of COVID, medicine demand, and lockdowns in several countries. may call for minor adjustments. Manufacturers are required under federal law to alert the FDA of any shortages as soon as they occur. Medical equipment is exempt from this restriction since it is produced in several facilities. The FDA may be forced to reevaluate device restrictions if there are shortages of devices during the pandemic. The quantity of tests conducted at international production sites may also be reviewed by the FDA. The FDA and CDC recently announced that some ventilators that are governed by the CDC rather than the FDA can also be utilised in order to increase the number of ventilators that are available.

5. ANALYTICS OF DATA:

The pharma sector is quite challenging and contains a lot of data. Industries have long used data, but there is still work to be done to realise all of its potential. Predictive analytics may be applied to the enormous quantity of clinical and genomic data that has been accessible for many years to expedite the medical testing and drug production processes. Businesses employ analytics and data, but in the present environment they might need to use data more



effectively for marketing, forecasting, and clinical trials. Infrastructure for social listening and big data both have a significant impact.

Real world data (RWD):

Costs associated with developing new medications are anticipated to have climbed from \$1 billion in 2013 to \$2.6 billion. The time needed for research, development, and clinical trials may be what sparks interest in RWD, in addition to the accompanying expenses. By 2021, about 95% of enterprises will be using or planning to utilise RWD. Some of the difficulties with RWD include data accessibility and security problems, but these may be overcome as businesses and regulators attempt to use novel approaches in clinical trials in the future. It is possible and will be well-liked. The pharmaceutical business views clinical trials as gold dust, yet in the past, products have been pulled off the market even after receiving FDA clearance. Clinical trials' primary drawback is that they examine a homogenous group. The FDA may relax its limitations on RWD in order to address this.

Electronic health:

As telemedicine/tape consultation, physical condition linked videos and applications gain popularity, electronic health may be the next big thing. Investments in web-based platforms that facilitate communication between patients and doctors will rise. Recently, sales and demand have surged for Well Mind Health's web programmes in mindfulness-based cognitive treatment. Due to the current pandemic crisis, NHS England has given hospitals in the UK instructions to boost telemedicine/video consultations. Free online consultations are now available through the meditation apps Calm and Headspace to help individuals deal with anxiety and panic. Services have been made available.

Both major and minor markets:

Organizations will reconsider their strategy in the primary and downstream production markets to manage the regular medicine shortages. The COVID-19 problem has highlighted the weaknesses of nations and businesses that rely significantly on a small group of business partners, forcing a significant revamp of the international supply chain. To reduce concentration in particular regions, several multinational companies (MNCs) have already started reevaluating and rearranging their supply chains.

6. SUSTAINABILITY APPROACHES:

Sustainable development is important not only for improving company engagement with stakeholders but also for efficiently using scarce resources and processes to reduce costs. The pharmaceutical industry consumes large amounts of economic, natural, and human resources. The industry must show its dedication to sustainable growth through creative responses to production techniques and the creation of clean technologies in order to preserve and strengthen this reputation. As there is a symbiotic link between firms and their stakeholders, including users and suppliers, spreading sustainable ideas along the supply chain is equally crucial. The drug sector is nevertheless responsible for significant greenhouse gas emissions. Optimizing industrial techniques and supplying networks benefits the ecosystem and provides value. High energy use, worldwide supply chains, the effects of pharmaceutical manufacturing on the environment, and a lot of packing trash are some of the main ecological problems.

Access to veterinary and human treatment, as well as food safety are social criteria:

Numerous opportunities continue to be unrealized despite sustained attention. Businesses must concentrate on problems that are consistent with their goals and employ all available tools, including capacity expansion, marketing strategy, and study and development. Upcoming attention must be directed toward emerging nations with nascent agriculture and healthcare industries.

Compliance, integrity and corporate digital responsibility (CDR):

Product quality, open communication with clients and treatment providers, and malpractice prevention continue to be crucial compliance challenges. The company is increasingly shifting away from conventional value chains to patient-oriented business models when combined with new digital elements. Fundamentally, information flow is involved in this. A robust and trustworthy business model needs to be assured, along with high levels of data protection. In order for pharmaceutical and life science enterprises to successfully digitize, the greatest moral requirements must be regularly established. Therefore, corporate digital responsibility and compliance are becoming more and more crucial to the sector.

**7. CONCLUSION:**

The pharma industry in India, which has the third largest quantity in the worldwide market and one of the highest growth rates, is known as "The World's Pharmacy." Due to a spike in demand for COVID-19 supply, the sector saw a double-digit increase of roughly 15%. Consumers, decision-makers, and organisations are starting to pay more consideration to sustainability in the pharma business. Concerns about implementing sustainability principles into new delivery systems, new goods with lower environmental risks, trash recycling, water conservation, environmentally friendly production processes, and recyclable packaging. The subject is getting more attention. Creative sustainability approaches in everyday company operations have a tremendous amount of possibility to change people's perceptions of the pharma sector.

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