

# India Pavilion

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**P-mec** **InnoPack** **iCSE** **FDF** **BioProduction**

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**5 - 7 November 2019** **Frankfurt, Germany**

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## CPHl WORLDWIDE 2019

### EVENT AT GLANCE:

“CPHl Worldwide, an International Trade Fair for Pharmaceutical Ingredients and Unites the Pharmaceutical Industry. It is the world’s largest pharmaceutical exhibition and uniting thousands of pharma professionals and suppliers from around the world under one roof. CPHl Worldwide and its co-located events ICSE, P-MEC, FDF, InnoPack & BioProduction are each divided into product-specific zones in order to give each industry sector more visibility and allow visitors to easily locate and source the products they’re looking for. CPHl Worldwide is divided into numerous product zones including APIs, pharmaceuticals, custom manufacturing, excipients, fine chemicals & intermediates and natural extracts.

CPHl Worldwide is one of the most important fairs in the pharmaceutical industry which is held once a year at different locations around the world. The fair was founded in 1990 as an international chemical and pharmaceutical trade fair and is today one of the largest pharmaceutical trade shows worldwide.

30th anniversary edition, CPHl Worldwide was hosted in Messe Frankfurt from 5-7 November 2019. CPHl Worldwide together with co-located events ICSE, InnoPack, P-Mec and FDF as well as BioProduction welcomed more than 45,000 professional visitors over three days. More than 2,500 exhibitors from 150 countries represented every sector of the pharmaceutical market under one roof.

CPHl Worldwide displayed ingredients on the showfloor. Companies within this sector of the pharma industry were divided into different zone profiles on the show floor which include: API’s, Pharmaceuticals, Custom Manufacturing, Excipients, Fine Chemicals & Intermediates and Natural Extracts.

### Exhibitor & Visitors Participation:

- No. of Exhibitors: Over 2,500 Exhibitors from 150 countries
- No. of Visitors: Over 45,000 Pharma and allied industry professionals from 165+ countries
- Top Exhibitors by Countries: China, India, Germany, Italy, France, Spain, Republic of Korea, Netherlands, Japan, Taiwan, Turkey, USA & UK.
- **334 Indian companies** participated in CPHl, ICSE, P-MEC, FDF, BioProduction and InnoPack 2019.
- About 22 countries have set up their Pavilions at the CPHl Worldwide represented by the respective Trade Associations and Government bodies.

**Co-located events: ICSE, P-MEC, InnoPack and FDF**

## PHARMEXCIL PARTICIPATION IN CPhI WORLDWIDE 2019:

In order to promote Indian Pharmaceuticals in Europe and to strengthen networking opportunities, the Pharmaceutical Export Promotion Council of India (PHARMEXCIL) organized an “India Pavilion” at CPhI Worldwide 2019 with the support of Ministry of Commerce & Industry for the eighth consecutive year.

Council organized India Pavilion at two locations i.e **Hall 4.1** focused to Active Pharmaceutical Ingredients (APIs) and in **Hall 9.1** for Integrated Pharma (API and Formulations) thereby enabling the participating members to outreach potential customers or parties in the relevant filed of activities.

- **58 no.**of Indian Pharma companies participated through Pharmexcil at CPhI Worldwide 2019.
- **Hall 4.1:** **30** companies participated in **API section**
- **Hall 9.1 :** **28** companies participated in **Integrated Pharma section**

List of companies participated in India pavilion attached as Annexure I

The event is led by Mr.Ravi Udaya Bhaskar, Director General and coordinated by Ms. Lakshmi Prasanna.Ch Senior Regulatory Affairs Officer with the support of Dr.Abha Sinha, Sr. Director, Pharmexcil.

Year on year the participation of Indian companies in CPhI W/W and also India pavilion is increasing. In 2018, no.of participants in India Pavilion was 55 and in 2019 it is 58.

### Brochures:

The council printed brochures containing information about Indian Pharma industry and its Accreditations, export performance, product profile and contact details of the participants and are distributed to the visitors and local pharma associations.



## INAUGURATION OF INDIA PAVILION

India Pavilion at CPhI Worldwide was inaugurated by the Chief Guest Ms. Pratibha Parkar, *Consul General, Consulate General of India, Frankfurt* on 05th November 2019. The inaugural program was attended by Dr.Dinesh Dua, Chairman, Pharmexcil & CEO, Nectar Life sciences, Mr.Krishna Reddy, COA member & National President- BDMA, Mr.DVS Reddy, COA member & Director, Nosch laboratories, Mr.Siddharth Dhaga, COA member & Director, Vins Bio Products, Mr.Satish Wagh, Director, Supriya Life sciences, Mr.Yogesh Mudras, Managing Director, UBM India and other Industry representatives along with Pharmexcil officials.

The team lead by Ms. Pratibha Parkar, *Consul General* of India in Frankfurt, Dr.Dinesh Dua, Chairman, Pharmexcil, Mr. Ravi Udaya Bhaskar, Director General, Pharmexcil interacted with companies present in India Pavilion at both Hal 4.1 & 9.1.

Director General, Pharmexcil has appraised about the Indian pharma exports, especially trade between India and Europe and the non-tariff barriers Indian companies facing while exporting to Europe to the Consul General.

Pharmexcil with a view to keep up the image of Indian Pharma Industry at International level, has made all possible efforts for presenting an elegant India Pavilion. The design and presentation of India Pavilion at CPhI Worldwide was appreciated by the Industry.



## FEEDBACK FROM MEMBER COMPANIES

Council participated in CPhI Worldwide for the eighth consecutive year and organised India Pavilion by taking space of 683 Sq.mtrs with participation of 58 member companies.

The member companies expressed their satisfaction with the arrangements made by Pharmexcil and are impressed with the India pavilion design & branding, stall construction,. Most of the member companies expressed their willingness to continue their participation in CPhI worldwide 2020 as well.

Member companies had good business meetings during these three days and some of them could sign the business deals. Member companies have requested Pharmexcil to book the space for the year 2020.



## Scope of Partnership between India and Germany in Pharmaceutical Sector

The Pharmaceutical Industry in Germany has maintained a significant position in the world from the very beginning. In 2017, Germany exported Pharmaceutical products worth nearly 72 Billion. Pharmaceutical exports was the third largest export sector in Germany. The percentage growth of pharmaceutical export was around 7.38 compared to 2016. More than 660 pharmaceutical companies of German origin and subsidiaries of multinational corporations are based in Germany. Due to the quality standards maintained by German companies Pharma products made in Germany are popular worldwide. The export figures for the pharmaceutical industry relative to total production have been constantly growing over the years. Germany is Europe's largest and the world's fourth largest Pharmaceutical market after USA, Japan and China.

The need for digital healthcare solutions worldwide is already enormous and still growing. The technologies have the potential to improve first and foremost patient management, efficiency in service provision, networking of patients and all providers, and personalization of health services. Germany's digital healthcare sector is already able to offer internationally competitive products and services in a number of fields of application.

Indian pharmaceutical Industry is one of the fastest growing globally. India was the largest provider of generic drugs globally the last year. Indian pharmaceutical sector industry supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand of vaccines in the US and 25 per cent of all vaccines in UK. The population structure in India ensures a skilled young work force in India can ensure that the Industry maintains its equilibrium and grows constantly. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms. Medicine spending in India is expected to increase at 9-12 per cent Compound Annual Growth Rate between 2018-22 to US\$ 26-30 billion. This is driven by factors like increasing consumer spending, rapid urbanisation and raising healthcare insurance among others. Going forward, better growth in domestic sales would also depend on the ability of companies to suit their product portfolio towards chronic therapies for diseases such as such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers.

Indo-German collaborations have been improving the economy of both the nations. The Indo-German collaboration works in different areas, health technologies are one of the best among them. There are many German pharmaceutical companies that have presence in India. Indo-German partnership in the healthcare sector is scaling new heights with new collaborative projects. With India's Make in India Initiative and with India having scaled up many rankings in the World Bank's Report of Ease of Doing Business, all factors point at the increasingly attractive investment destination that India has become.

There has been a steady increase in joint ventures and acquisitions between Indian and German pharmaceutical companies. The cost of production in India is very affordable for pharmaceutical manufacturers making India an attractive investment destination.

The production costs are 65% lower than that in US and 50% lower than in Europe. Further, with India's population volume of more than 1 Billion and an increasing requirement for addressing the health needs of its population, there is scope for an accelerated advancement in the pharmaceutical sector. The market for the medical and health technology is vast in both India and Germany. Most of the companies based in Germany are specialists in the world market in terms of providing niche health technology in various treatment procedures. India has a fast growing population and the need for health technology is the need of the hour.

*(Source: Pharmaceutical Industry: Analysis and Scope of Partnership between India and Germany Prepared by Economic & Commercial Wing December 2018)*

## Market Report of Germany

### **Strengths**

- One of the key pharmaceutical markets in Western Europe.
- Germany's regulatory environment, based on EU directives, is one of the most transparent and fair in the world.
- High, long-term underlying demand for pharmaceuticals driven by the ageing population.
- One of highest rates of per capita spending on medicines in the world.
- Germany has a strong domestic pharmaceutical industry and several multinationals are also based in the country, with high rates of R&D in the sector

### **Weaknesses**

- Market growth has been sluggish in recent years, largely due to increasingly harsh government cost-cutting measures, including de-reimbursement, a fixed-level drug price support scheme and reference pricing.
- Drug companies and health insurers must negotiate the prices of new drugs based on cost-effectiveness criteria, which discourages novel drug launches and thus disadvantages patients.
- German provinces have large autonomy regarding healthcare provision, requiring diverse access strategies

### **Opportunities**

- The generic drug market is growing robustly, with the government's cost-containment policy and a significant number of patent expiries driving growth.
- Demographic and epidemiological profiles provide expansion opportunities for manufacturers of chronic treatments.
- Long-term economic rebalancing will translate into higher private consumption, posing upside risk to pharmaceuticals market growth.



## Market

Despite cost containment measures adopted Germany is certainly a key market in the EU Region. Supportive epidemiological and demographic (more than 40% of the population would be requiring CNS drugs and over 50% would be requiring CVS drugs which are the prime generics) factors will continue to push up volume demand, with value growth. Over the next five years ending 2023, the market is forecasted to grow at a cagr of 3.4% and reach \$ 83.4 billion from \$ 70.5 billion in 2018.

As is the case in most of Western Europe, an ageing German population is increasingly suffering from chronic conditions, which leads to higher demand for pharmaceuticals. This, in turn, places pressure on both public and private health funding regimes. As such, while volumes continue to grow, they are restrained by government cost-containment initiatives, including encouraging the consumption of lower-value generic drugs.

## Generic Drug market

German generic drug sales will continue to benefit from cost-containment policies that have, as part of several objectives, encouraged their wider uptake in order to help control surging public healthcare costs. Market in 2018 touched \$ 13.5 billion and hold 18.6% share of the total market. It is expected to grow at a cagr of 4% and reach \$ 15.6 billion by 2023 and attain a share of 19.1%.

Generic prescribing within the country's statutory health insurance system has significantly strengthened over the past three decades, currently accounting for an estimated 45-50% of all prescriptions. Indeed, various policy initiatives have overcome strong patient and prescriber bias towards branded medicines. Direct pressure on both groups for generic substitution comes from the pharmaceutical reimbursement system. For example, where a physician has prescribed a more expensive branded drug, the pharmacist must inform the patient of the cheaper alternatives; the patient will have to pay the difference if he does not wish to take the generic.

Health insurance companies (Krankenkassen) award bulk tenders to drugmakers that charge the least for their products, resulting in a decline in the prices of off-patented medicines. As a result, Germany's generic drug market is gradually moving from a landscape dominated by a small number of high-value players (companies) to a commoditised market, made up of many players with lower value outputs. As commodity generics may be manufactured and marketed by numerous companies, buyers can obtain similar medicines from a number of approved sources. This necessarily forms an extremely price-competitive submarket within the already low-value generic medicines segment, however it is the health insurance payers who become the final deciding authority of purchase price from the companies.

## Pharma Trade

Germany maintains a positive balance of trade, bolstered by strong exports of innovative pharmaceuticals. Despite the implementation of cost-containment measures affecting drug spending in Germany's major destination markets. Germany has exported \$ 91.6 billion worth of Pharma in 2018 and is expected to post a cagr of 4.5% in the next five years ending 2023 and reach \$ 122.87 billion.

Germany's leading export partners include Belgium, the US, Switzerland, France and the Netherlands. Imports were put at \$ 53.61 billion in 2018. This expected to increase at a cagr of 6.5% during the next five years and reach \$ 73.36 billion.

The leading countries of origin for their imports include Switzerland, the UK, the US, France and Spain.

## Statistics

India Pharma exports to GERMANY by Category \$ Million					
Category	2015-16	2016-17	2017-18	2018-19	Change%
Bulk Drugs & Drug Intermediates	149.66	144.75	145.44	181.70	24.93
Drug Formulations & Biologicals	145.53	138.26	175.65	205.72	17.12
Ayush	1.10	1.26	1.16	0.61	-47.58
Herbal Products	26.89	26.73	41.91	28.87	-31.10
surgicals	24.32	22.22	24.93	28.72	15.21
Vaccines	0.15	0.08	0.15	0.15	-1.60
Total	347.65	333.30	389.24	445.78	14.53

India's Pharma exports to Germany April-September \$ Million				
Category	Fy-19	Fy-20	Change%	change in Revenue
Bulk Drugs & Drug Intermediates	88.93	91.96	3.41	3.04
Drug formulations & Biologicals	95.34	127.88	34.13	32.54
Ayush	0.30	0.48	59.31	0.18
Herbal Products	17.70	16.35	-7.65	-1.35
surgicals	14.59	12.94	-11.30	-1.65
Vaccines	0.06	0.02	-68.48	-0.04
Total	216.91	249.63	15.08	32.71

## Annexure-I

### Member companies participated in India Pavilion

- 1 ACTIVZ LIFESCIENCES (I) PVT LTD.
- 2 ALLASTIR PVT LTD
- 3 AMSAL CHEM PRIVATE LIMITED
- 4 APIONEX PHARMA PVT LTD
- 5 AQUADRY PHARMA PVT. LTD
- 6 ASG BIOCHEM PVT. LTD.
- 7 AXA PARENTERALS LTD
- 8 CALTRON CLAYS & CHEMICALS PVT LTD
- 9 CORNILEUS PHARMACEUTICALS PVT LTD
- 10 FLAX LABORATORIES
- 11 GLOBAL PHARMA
- 12 GLOBAL PHARMA HEALTH CARE PVT LTD
- 13 GLUKEM BIOCARE PRIVATE LIMITED
- 14 HEER PHARMA PVT LTD
- 15 HEMMO PHARMACEUTICALS PVT. LTD.
- 16 HEXAGON NUTRITION PVT. LTD.,
- 17 INDO HERBAL EXTRACTIONS
- 18 INFINIUM PHARMACHEM PVT LTD
- 19 JPN PHARMA PVT LTD
- 20 K. PATEL PHYTO EXTRACTIONS P LTD.
- 21 KINGS GLOBAL BIOTECH LIMITED
- 22 KRS PHARMACEUTICALS PVT LTD
- 23 LAKE CHEMICALS PVT LTD
- 24 LASONS INDIA PVT. LTD
- 25 LEE PHARMA LTD
- 26 MACSEN LABORATORIES
27. MEDILINK PHARMACHEM
- 28 METINA PHARMCONSULTING PVT. LTD.
- 29 MICRO ORGO CHEM
- 30 MURLI KRISHNA PHARMA PVT LTD
- 31 NEELKANTH MINECHEM
- 32 PANVO ORGANICS PVT. LTD.
- 33 PHARMEXCIL
- 34 PREMIER INTERMEDIATES PVT. LTD.
- 35 PURE CHEM PVT LTD
- 36 QUAD LIFE SCIENCES PRIVATE LIMITED
- 37 RAJASTHAN ANTIBIOTICS LTD
- 38 RASINO HERBS PVT. LTD.
- 39 RAVOOS LABORATORIES LTD
- 40 RIOCARE INDIA PVT LTD
- 41 S G PHARMA PVT. LTD.
- 42 SANDHYA ORGANIC CHEM PVT. LTD.
- 43 SARJEN SYSTEMS PRIVATE LIMITED
- 44 SAVA HEALTHCARE LIMITED
- 45 SCOTT-EDIL PHARMACIA LTD
- 46 SHASHI PHYTOCHEMICAL INDUSTRIES
- 47 SIFLON DRUGS
- 48 SMRUTHI ORGANICS LIMITED
- 49 SNA HEALTHCARE PVT. LTD.
- 50 SNJ LABS PVT. LTD.,
- 51 SPANSULES PHARMATECH PVT LTD
- 52 SRINI PHARMACEUTICALS PVT LTD
- 53 SUPARNA CHEMICALS
- 54 SUPREEM PHARMACEUTICALS MYSORE PVT. LTD.
- 55 SYNTHOKEM LABS PVT LTD
- 56 TAGOOR LABORATORIES PVT LTD
- 57 UMANG PHARMATECH
- 58 VENKATASAI LIFE SCIENCES