

## India's Pharmaceutical Exports Poised to Reach \$65 Billion by 2030, Despite Headwinds



India's pharmaceutical exports are projected to nearly double to \$65 billion by 2030, a significant increase from the approximately \$30 billion recorded in the last financial year (FY25). This ambitious target is set amidst various global challenges, reflecting the sector's resilience and strategic importance as the "Pharmacy of the World." The growth is anticipated to be driven by a shift towards higher-value products like biosimilars and specialty generics, coupled with continued expansion into diverse international markets.

Despite this optimistic outlook, the Indian pharmaceutical industry faces several hurdles. Regulatory scrutiny from international bodies, particularly the U.S. Food and Drug Administration (FDA) remains a significant challenge, with increasing unannounced inspections and quality concerns leading to recalls in some instances. Furthermore, a substantial reliance on imported Active Pharmaceutical Ingredients (APIs), especially from China, creates supply chain vulnerabilities. Intense price pressure in the global generics market and the evolving landscape of intellectual property rights also present ongoing complexities for Indian manufacturers.

To achieve the \$65 billion export target, industry reports emphasize the critical need for innovation, stringent quality focus, and enhanced collaboration between the government and the private sector. The "China+1" strategy, encouraging diversification of sourcing beyond China, is expected to bolster India's API exports and contract development and manufacturing organization (CDMO) services. Investment in research and development (R&D) for advanced therapies, such as cell and gene treatments, will be crucial for long-term sustainable growth and a shift from volume-based to value-led exports.

Currently, India is the largest global provider of generic medicines by volume, accounting for approximately 20% of the worldwide supply. The sector's exports surpassed \$30 billion in FY25, a 9.39% increase from the previous fiscal year, with the United States remaining the largest single market, representing over one-third of total pharma exports. The Pharmaceuticals Export Promotion Council of India (Pharmexcil) has highlighted the sector's strong performance, outpacing the global average pharmaceutical export growth rate.

As India navigates geopolitical tensions, economic slowdowns, and logistical challenges, the focus on diversifying product baskets and strengthening domestic manufacturing capabilities will be paramount. The government's initiatives, such as the Production Linked Incentive (PLI) scheme for pharmaceuticals, are expected to continue supporting this growth trajectory, solidifying India's position as a dependable and high-quality pharmaceutical supplier on the global stage.