

## Is Pakistan's pharma industry in crisis following recent conflict?

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The recent escalation in India-Pakistan tensions has triggered a crisis with far-reaching consequences beyond the battlefield. The abrupt suspension of trade with India, a lifeline for Pakistan's medical supply chain, has exposed deep structural weaknesses in its healthcare sector.

As normalcy returns and India stands tall after successfully defending its sovereignty, Pakistan now faces the severe aftermath of its reckless aggression in the form of a looming healthcare catastrophe.

For years, Pakistan's pharmaceutical sector has heavily relied on imports from India, sourcing nearly 40% of its Active Pharmaceutical Ingredients (APIs) and critical raw materials from Indian manufacturers. These supplies form the backbone of many essential medicines, including life-saving cancer therapies, anti-rabies vaccines, and critical care treatments.

With India halting all exports indefinitely, Pakistan's over-dependence was laid bare. India has made it clear that future pharmaceutical cooperation will be strictly on its terms, prioritising humanitarian concerns over commercial dealings.

While Pakistan looks to alternative sources like China and Russia, higher costs, longer lead times, and regulatory bottlenecks are creating further roadblocks. Industry experts predict severe shortages of essential medicines in Pakistan over the coming months, a crisis of its own making driven by years of hostility and misplaced priorities.

### The Fallout: Trade Suspension and Immediate Impact

Pakistan's Drug Regulatory Authority (DRAP) is scrambling to implement "emergency preparedness" measures in response to the sudden halt of pharmaceutical imports from India.

As part of its contingency plans, DRAP is urgently seeking alternative suppliers in China, Russia, and several European

countries. However, these options present significant challenges.

Procuring raw materials and finished medicines from new sources involves higher costs and longer lead times, straining both budgets and supply chains. Additionally, regulatory bottlenecks complicate the approval of new suppliers and products, while logistical hurdles make it difficult to establish reliable trade routes and contracts on short notice.

Industry insiders and health experts warn that unless immediate and effective action is taken, Pakistan could face critical shortages of essential medicines within months.

Recognising the gravity of the situation, leaders from Pakistan's pharmaceutical industry have urgently appealed to the government for exemptions from the trade ban. The Pakistan Pharmaceutical Manufacturers Association (PPMA) has lobbied officials to exclude pharmaceutical and health-related trade from the suspension, emphasising that many life-saving products rely exclusively on Indian raw materials.

#### India's Pharma Industry: A Global Powerhouse

While Pakistan scrambles to secure alternative supplies, India's pharmaceutical industry continues to demonstrate its resilience and global leadership. In FY25, India's drug and pharmaceutical exports reached a record \$30.47 billion, marking a 9.39% year-on-year increase and a 31% surge in March alone. The United States remains India's largest market, accounting for over one-third of exports.

India, the pharmacy of the world, once again demonstrated its critical role in global healthcare during this crisis. Even as Pakistan faltered, Indian pharmaceutical exports surged to other nations, solidifying its leadership and reliability in supplying high-quality, affordable medicines worldwide.

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