

Pharma industry feels the heat: registers 1.1% growth

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As compared to 4.3% growth recorded in November 2012, the domestic pharma market has slid down over last few months and grew by mere 1.1% in August 2013, the market research firm, AIOCD Pharmasofttech AWACS report has revealed.

For the month of August 2013, amongst the top 10 companies, Sun Pharma registered the highest growth of 14.9%, Alkem 5.9% and Cipla 4.9%. The multinational drug companies figured among the worst performers with GSK Pharma witnessing a drop of 17.6%, Pfizer of 8% and Abbott 4.6%.

One of the major reasons for the slowdown seems to be the de-stocking done by the trade and companies due to the uncertainty surrounding the implementation of the new drug pricing control order (DPCO). This is evident from the fact that according to the data, the growth of the DPCO portfolio of products dropped by 12.3% whereas the non-DPCO product market grew by 3.3% resulting in an overall growth of 1.1% for the month of August 2013.

The closing stock level, measured as on 10th of every month, stood at 38.8 days as on 10th of April. It however fell to 22.1 days in September 2013. The DPCO 2013 portfolio for GSK Pharma degrew by 30.4% and Ranbaxy degrew by 21.1, whereas Sun Pharma had the least impact with its DPCO 2013 portfolio degrowing at 1.7.