

## Pharma exports to US unperturbed by import alerts: Ind-Ra

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India Ratings & Research (Ind-Ra) expects Indian pharmaceutical exports to the US to keep growing despite a spate of import alerts issued by US Food and Drug Administration (US FDA) in 2013.

Ind-Ra believes the potential for the Indian pharmaceutical industry to grow at around 20 percent CAGR over the next five years is intact. This is despite the agency's expectation of an increase in US FDA inspections in line with the US' increasing dependence on Indian pharmaceuticals and the bad press attracted by them in recent times. Export growth to the US is also likely to be robust, given the large proportion of alternative new drug application approvals received by Indian manufacturers lately. Indian pharmaceutical manufacturing facilities registered with US FDA as on 31 March 2014 was 523, the highest for any country outside the US.

The agency also believes that the Indian pharmaceutical industry will establish quality assurance processes as well as a compliance culture to reduce import alerts. The US has become the single-largest destination for Indian pharmaceutical exports, a position Ind-Ra expects to continue in wake of the government's resolve to provide affordable healthcare.

Ind-Ra estimates that banned facilities accounted for around 7 percent-8 percent of the total exports to the US and around 2 percent of the overall 2013 pharmaceutical exports from India. However, the owners of the banned facilities will face not only a revenue loss but also a substantial opportunity loss on account of delayed product introductions and expenditure on corrective actions.