

# Lessons for Vietnam from the Indian pharmaceutical industry success



Vietnam's pharmaceutical industry has been growing for the last 8-10 years and has become one of the strongest markets in the region. The current Vietnam pharmaceutical industry is worth USD 7 billion (2021) and expected to become USD 16 billion by 2026 as per market research firm IMB. The market has been dominated by domestic firms but lately the global brands like Abbott, Bayer, Nipro, Sanofi, Taisho Group and B.Braun have been performing very well and making this industry more competitive and attractive for the global investors.

India on other hand has come a long way to develop its pharmaceutical industry and become the pharmacy of the world. India's pharmaceutical sector is worth USD 42 billion with an enormous trade surplus of USD 11 billion in 2021. India's robust pharmaceutical industry contributes 20% to the global supply chain. The Indian pharmaceutical industry has been growing 10-12% every year and poised to become USD 65 billion by 2024. One of the unique initiatives taken by the Indian state of Andhra Pradesh in 2004 to establish 2400 acres Pharma City, which is a house of 104 industries including R&D units, Manufacturing of APIs and Production of drugs. Similar kind of another initiative was taken by the state of Telangana in 2018 to create Hyderabad Pharma City, which is expected to attract investment of USD 9 billion and employment of more than 500,000. With the help of these initiatives, India could accommodate over 3000 pharma companies, 11000 manufacturing units (Highest number of US-FDA compliant pharma plants outside of USA) and export of USD 24 billion. Thanks to the focused approach by central and state governments, India is the world largest vaccine and generic medicines producer in the world.

Vietnam should take a leaf out of India's pharmaceutical success as it has all the necessary elements to become the main pharmaceutical production hub at least in the APAC region. Factors which make Vietnam one of the most attractive destinations are robust domestic market, 14 plus Free Trade Agreements, Strategic location and enough availability of manpower. Vietnam should form a pharmaceutical centric policy to entice companies across the globe to set up the factories in Vietnam. Companies can supply drugs to Vietnam's domestic market, export to various countries (Thanks to Vietnam FTAs), and can also cater to the entire ASEAN region which has over 600 million population.

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**References: Pharmaceuticals Export Promotion Council, IMB, Media Reports, Press Information Bureau**