DEVELOPING NEW PRODUCTS IN THE PHARMACEUTICAL INDUSTRY IN INDIA

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ABSTRACT
Drugs and pharmaceuticals occupy the centre-stage of health-care system today from its minor role few decades ago. Under the protection of the Indian Patent Act, 1970; the industry grew from mere Rs. 100 million at the time of independence to Rs 250 billion in 2005 to Rs 680 billion in 2011. Today, India boasts of having highest number (74) of USFDA approved manufacturing units outside the USA and the drug prices have been the lowest in the world from the point of being the highest at the time of independence. But, in spite of these rosy pictures, the failure rate of new products has been as high as 90-95 per cent in India. In a comparatively close market condition like that of India, if the failure rate is so high, what would happen when multinational companies would be allowed come with their might? This study aims to help identify the strategic gaps and would try to provide a guideline for successful new introduction of pharmaceutical brands so that enormous resources being wasted in failure brands would be made available for more constructive use.

KEYWORDS: Healthcare, Indian Patent Act, drug development, failure rate, customer equation, good manufacturing facility.