

b) Pharmaceutical Sales

In 1990-91, India accounted for 1.2% of the world pharmaceutical market in terms of sales, the ninth largest market in the world. This percentage is disproportionately low considering India's population of over 920 million people. However, India's pharmaceutical sales have increased by an average of over 20% in nominal terms from Cdn \$2.4 billion in 1991-92 to Cdn \$3.97 billion in 1994-95, as shown in the table below. Inflation averaged 10% over the same period while real GDP growth averaged 4.9%. This means that during the 1991-1995 period, pharmaceutical sales grew twice as fast as overall GDP.

By the year 2000, the Indian government has forecasted India's demand for pharmaceuticals to reach Cdn \$6.7 billion or about twice the amount of current consumption.

Indian Pharmaceutical Sales by Year (Cdn \$ Millions)					
	1991-92	1992-93	1993-94	1994-95	2000
Bulk Drugs	378	483	554	638	-----
Formulations	2,016	2,520	2,898	3,332	-----
Total	2,394	3,003	3,452	3,970	6,720*
*estimated by the Indian National Council of Applied Economic Research					

If the forecast figure is achieved, domestic production facilities will have to expand and imports will rise to meet demand. This points to opportunities for foreign investors and importers.

Though the industry is made up of about 16,000 manufacturers, the top 15 account for 39.5% of sales. Market shares for these companies are broken down in the following table.