USA is the biggest player in the global pharmaceutical market whose contribution is approximately 45%, Europe 24%, Japan 11%, China 2% but India is only 1.8%. Considering the figures and facts, it is need of the hour, Indian Pharmaceutical companies (IPC) should change the policy which will be oriented to R&D. IPC should focus on long-term vision for more investment in R&D sector. India has not given single NCE to the world. More and more NCE should be developed. IPR should be respected during the process. Discovery research is long-term activity requires patience and different attitude, in which failure rate is very high. Global recession is good environment for purchasing R&D companies and show their presence globally. During R&D, quality, expert and dedicated scientist should be retained for the growth. Indian companies should target for outsourcing of all healthcare products to India and try to understand the regulated market requirement. Chinese are the competitors during the process. Number of USFDA manufacturing plant should be increased to get outsourcing CRAMS (Contract Research and Manufacturing Services).

Government should give more autonomy to Industries for better research and development activities. All the process should be made paperless, hassle free. The tremendous pressure on bigger MNC’s for cost sensitive operations leads to a cost effective business model has resulted into Outsourcing opportunity. Contract Research and Manufacturing Services (CRAMS) is one of the common model for pharmaceutical industry in India. Every new drug launched in the market does not become blockbuster. Only 1 out 6 new drugs will deliver returns in excess of the cost of capital. The sales volumes of the innovator drop significantly after generic version of the drug appears in the market. It reduces the surplus available for R&D. Market exclusivity is shrinking due to competition. Recovery of investment made in R&D is difficult day by day. India has easy availability of technical manpower. Manpower costs in India 70 times lesser than USA. Setting up FDA approved plant in India is 30% cheaper than USA. Quality of pharmaceutical products manufactured in India are widely accepted worldwide. Indian pharmaceutical industries (IPI) should focus on Cardiovascular, Diabetics, rheumatoid arthritis, Infectives (animal originated diseases) and stem cells research. To develop NCE, IPI will have to outsource services partly from CRO’s for formulation development and clinical trials. Safety issue and IPR should be respected for becoming India one of pharmaceutical hub and