

How Indian Pharmaceutical Companies Are Strengthening Their Position in Global Markets

India has become a key player in the pharmaceutical industry of the world, which can be described in terms of the following factors: large-scale manufacturing, low-cost production, and strong international distribution system. It ranks among the top producers of pharmaceuticals and provides medicines to other countries worldwide, making 20% of the global generic medicines supply. During the fiscal year of 2026 (Fy26), the exports of India's pharmaceutical sector made up approximately US$31 billion, while the Government of India aims to increase it to US$50 billion in 2030.

The transition to complex generics, specialty medicines, biosimilars, and innovation-driven drugs is being observed within the pharmaceutical industry of India. It results from the growing interest in research, advanced manufacturing technologies, international cooperation, and differentiation of treatments, which makes it possible for the companies in India to take part in global value chains.

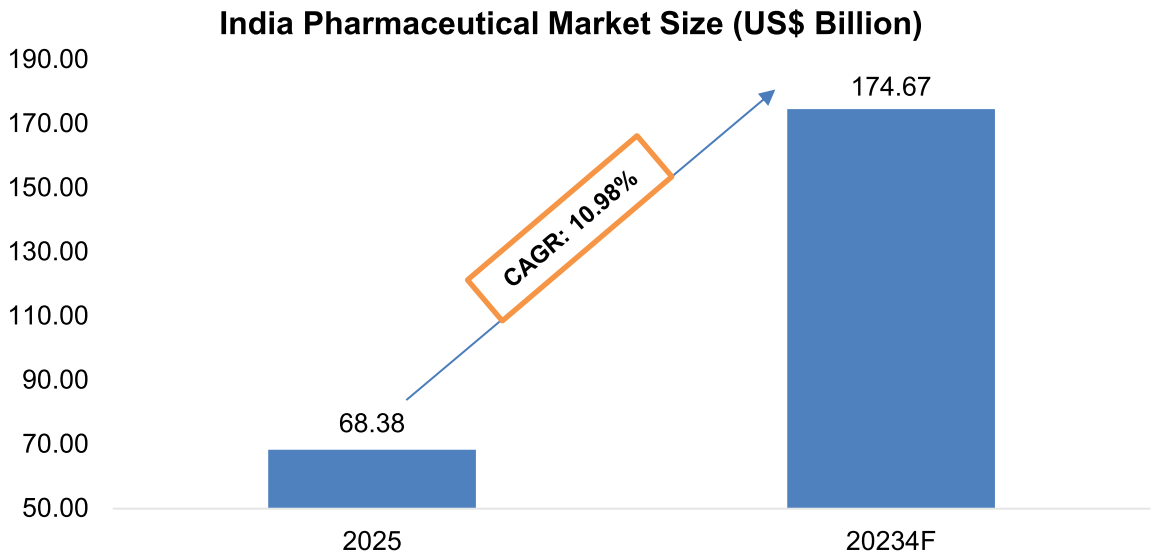


It is apparent in the development strategy of leading pharmaceutical companies of India. Through mergers and acquisitions, strategic partnerships, international manufacturing facilities, improved regulatory abilities, and investment in high-value treatments, they increase their presence not only in the markets of the developed countries but also in those of emerging markets.

INDIA'S PHARMACEUTICAL INDUSTRY: GLOBAL MARKET OVERVIEW

India takes one of the strongest positions in the pharmaceutical industry of the world due to its vast manufacturing system, low-cost production and strong international distribution system. The Government of India sees India as the third-largest pharmaceutical industry by volume, which provides its pharmaceutical products to the markets worldwide. The scale of the industry has allowed it to build lasting relationships with both regulated and emerging markets, making a strong basis for its international expansion.

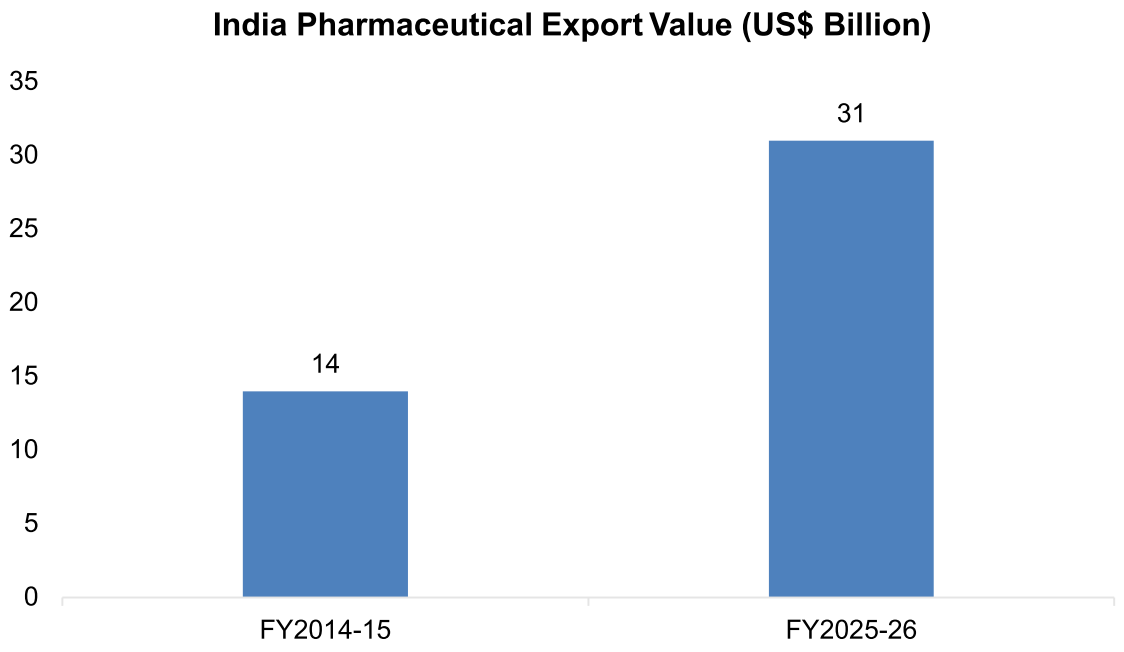
The pharmaceutical market of India is also growing, providing the basis for development of this sector and its competitiveness in the international environment. According to the data of IMARC Group, in 2025 the Indian pharmaceutical market was worth US$68.38 billion and was estimated at US$75.89 billion in 2026. It is expected to grow up to US$174.67 billion in 2034 at the CAGR of 10.98% during 2026-2034 due to the growing demand for health care and development of pharmaceutical products and services.



Source: IMARC Group



The export potential of India has been growing as well. According to the Ministry of Commerce & Industry, the pharmaceutical exports grew from approximately US$14 billion in FY2015 to US$31 billion in FY2026, providing its medicines to the patients of more than 200 countries. The Government of India also highlighted the continuous leadership of India in generic medicines and growing inclination of this sector to innovation-driven growth.

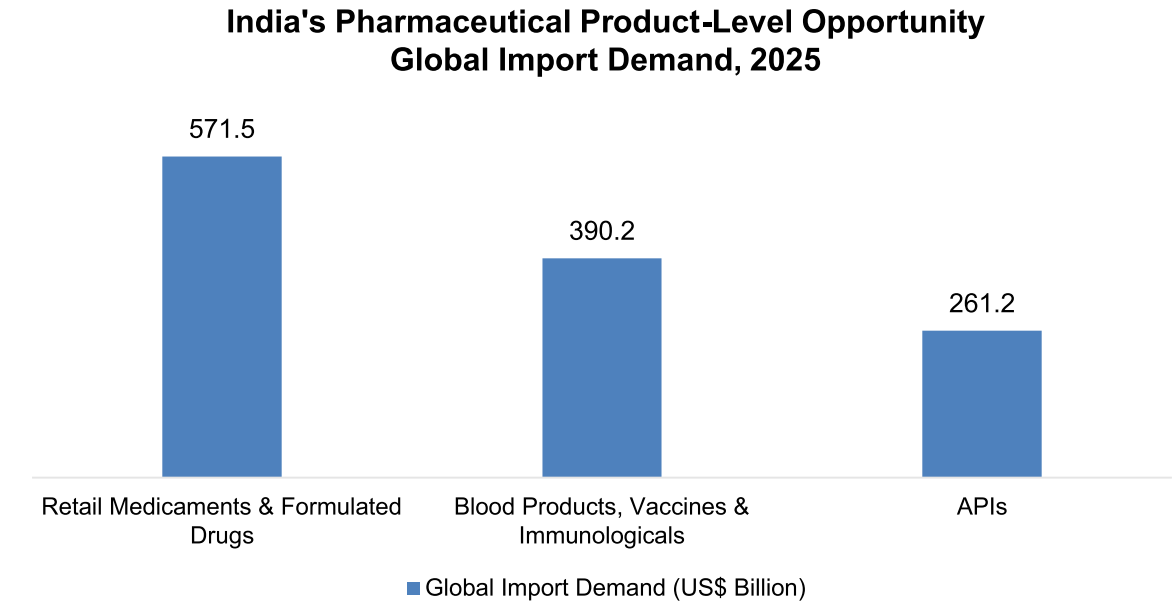


Source: Government of India, Ministry of Commerce & Industry (PIB)

The presence of India in the global regulated markets only goes on to strengthen India's global presence. As per Economic Survey 2025-26, India stands at 11th position in the list of top exporters of pharmaceuticals based on value, with exports of pharmaceutical products to 191 countries in FY25. About 50% of these export values went to the highly regulated markets like that of the US and Europe, thus indicating the capability of the industry to maintain quality in accordance with the regulations. India's substantial base of US Food and Drug Administration (USFDA) registered manufacturing facilities further supports its integration into global pharmaceutical supply chains.

The country's export strength is particularly pronounced in generic and formulated medicines. NITI Aayog's pharmaceutical trade analysis estimates that retail medicaments and formulated drugs accounted for US$ 571.5 billion of global import demand in 2025, while India's exports in this category were around US$ 22.6 billion, representing a 4.0% share of global demand. By comparison, India's exports of blood products, vaccines and immunological stood at approximately US$ 2.2 billion, representing only 0.6% of global import demand. This difference points to substantial headroom for Indian companies to strengthen their participation in biologics, advanced therapies and other higher-value pharmaceutical segments.





Source: NITI Aayog

India's pharmaceutical industry operates in the environment enabled by industrial and scientific infrastructure. According to NITI Aayog, there are more than 3,000 companies in India's pharmaceutical industry and 10,500 manufacturing units. Thus, the scale of the industry enables the development and export of products and cooperation with international firms. The combination of manufacturing capacity, regulatory market access, and advanced technologies creates a strong platform for further growth of Indian pharmaceutical companies.



FROM GENERIC LEADERSHIP TO GLOBAL VALUE CREATION

The Indian pharmaceutical industry is changing from an economy of scale driven by manufacturing of generics to a more value-oriented pharmaceutical system. Competencies in formulation manufacturing, low prices, and market access create conditions for entering more advanced and technologically sophisticated segments of the pharmaceutical value chain.

Moving Beyond Conventional Generics

India's leadership in generic medicines has been built on cost-efficient manufacturing, extensive formulation capabilities and experience in stringent regulated markets. The next phase of industry development is increasingly centred on complex and differentiated products that require greater scientific, regulatory and manufacturing capabilities. Complex generics, specialty medicines and advanced formulations allow companies to build on their existing strengths while competing increasingly on technology and product capability.

Expanding into Biologics and Biosimilars

Biologics and biosimilars offer a very important route for Indian pharma companies seeking to improve their participation in high-value markets globally. These drugs require skills in research, development, production, and regulation, and thus provide avenues for those pharma companies with existing expertise to progress further up the value chain. The comparatively lower Indian share of global demand in blood products, vaccines and immunological identified by NITI Aayog also indicates the significant headroom available in these segments.

Strengthening R&D and Innovation Capabilities

With the move towards high-end pharmaceutical products, the importance of R&D and innovation is getting an increased focus too. Indian pharmaceutical companies are increasingly concentrating on differentiation in medicines, advanced R&D, technology-based manufacturing processes, and the entire system is moving ahead to support pharmaceutical innovation.

Deepening Domestic Technology and Manufacturing Capabilities

Moving up the pharmaceutical value chain requires more than product innovation; it also depends on specialised manufacturing, advanced processes and stronger technological capabilities. Indian companies are therefore increasingly combining their formulation expertise with capabilities in complex APIs, specialised therapies, biologics and advanced manufacturing. This creates a pathway for deeper participation in global value chains and greater domestic value addition.

The transition should therefore be viewed as an expansion rather than a replacement of India's generic-pharmaceutical advantage. The country's established manufacturing and regulatory strengths continue to provide the foundation, while investment in differentiated products, innovation and specialised capabilities is broadening the range of opportunities available to Indian pharmaceutical companies.



HOW INDIAN PHARMACEUTICAL COMPANIES ARE EXPANDING GLOBALLY

The Indian pharmaceutical companies are adopting several strategies that will help them improve their presence in the global market. Even though generic drugs remain a basic component, the top players in the industry are gradually building on this by making acquisitions, offering special drugs, advanced formulations, biosimilars, specialist manufacturing, R&D, and partnering. The following case studies show how different companies build upon their strengths to develop new capabilities.

Sun Pharmaceutical Industries Limited: Scaling Through Acquisitions and Innovative Medicines

Sun Pharmaceutical Industries Limited is adopting a growth strategy through acquisitions to increase their global footprint as well as strengthen their presence in innovator and specialty pharmaceuticals. In April 2026, the company reached a final deal to buy Organon & Co. for US$ 11.75 billion enterprise value. Organon has a product pipeline of over 70 products in the Women's Health and General Medicines segments and has commercial presence in about 140 countries across the world and has six manufacturing units operating in the European Union and emerging countries. The merger will help Sun Pharma grow globally and bolster its presence in women's health, established medicines, biosimilars, and innovative drugs.

Sun Pharma's broader strategy also includes continued development of differentiated medicines and expansion across international markets. By combining its established generic base with specialty and innovative products, the company is seeking to increase the contribution of higher-value therapies to its global business.

The Organon transaction illustrates how large-scale acquisitions can provide Indian pharmaceutical companies with established products, commercial networks and therapeutic capabilities, accelerating global expansion and broadening participation in higher-value segments.

Dr. Reddy's Laboratories Ltd.: Integrating APIs, Complex Products and Global Partnerships

Dr. Reddy's Laboratories has developed an integrated global model spanning APIs, generic formulations, complex products and strategic partnerships. Its API business covers 250+ APIs and supports pharmaceutical customers across 80+ countries. The company is also expanding capabilities in areas such as peptides, highly potent APIs and advanced manufacturing technologies, strengthening its participation in technically demanding segments.

During FY26, Dr. Reddy's filed 128 Drug Master Files globally, taking cumulative filings to 1,748, including 280 active US DMFs as of March 31, 2026. Its capabilities in complex APIs, peptide development and advanced manufacturing complement its formulation business and support its engagement with pharmaceutical and biotechnology companies globally.

Dr. Reddy's model demonstrates how vertical integration, regulatory expertise and technology-led partnerships can enable Indian companies to participate across multiple stages of the international pharmaceutical value chain.

Cipla Ltd.: Building a Diversified International Footprint

Cipla has pursued a geographically diversified expansion strategy spanning North America, Africa, Europe and emerging markets. The company generated Rs. 28,163 crores (US$ 3.19 billion) in revenue from operations in FY26, with international businesses continued to provide a significant contribution. North America generated while One Africa contributed Rs. 4,224.45 crores (US$ 0.48 billion) during FY26.

Cipla is also strengthening its capabilities in regulated markets through differentiated products, regulatory approvals and local operations. Its R&D expenditure reached Rs. 1,974 crores (US$ 0.22 billion), equivalent to 7.0% of revenue, supporting continued development across its international portfolio.

Cipla's model illustrates how geographic diversification, local market capabilities, product development and R&D can collectively strengthen an Indian pharmaceutical company's international footprint across mature and emerging markets.

Lupin Ltd.: Combining Regulated-Market Scale, Specialty Care and R&D

Lupin is using its established presence in regulated markets as a platform for specialty expansion, differentiated products and research-led growth. In Q1 FY27, the company recorded sales of Rs. 8,217 crores (US$ 0.93 billion), up 33.3% year-on-year, while US sales reached US$ 366 million, accounting for approximately 42% of global sales. Other developed markets grew 48.3%, while emerging markets increased 51.7%, demonstrating broad-based international momentum.

The company's strategy increasingly extends beyond conventional generic medicines through specialty care, research and technically demanding manufacturing capabilities. During Q1 FY27, R&D investment amounted to Rs. 607.7 crore (US$ 0.07 billion), or 7.4% of sales. Lupin also maintained 149 generic products in the US and had received 350 cumulative US FDA approvals as of June 30, 2026.

Lupin's approach demonstrates how regulated-market scale can serve as a platform for specialty expansion, innovation and differentiated products, allowing Indian pharmaceutical companies to increase the value generated from established international operations.

Biocon: Advancing Globalisation Through Biosimilars

Biocon represents an innovation-led pathway to global expansion through biosimilars and biopharmaceuticals. In Q1 FY27, consolidated operating revenue increased 10% year-on-year to Rs. 4,336 crores (US$ 0.49 billion), while Biopharma revenue grew 17%. Biosimilars revenue increased 16% to Rs. 2,855 crores (US$ 0.32 billion), reflecting continued growth in the company's international biopharmaceutical business.

The company's international strategy centres increasingly on biosimilar development, regulatory approvals and specialised manufacturing. In August 2026, Biocon announced the US commercial launch of Yesafili, its biosimilar to Eylea, further expanding its presence in the US biologics market.

Biocon therefore illustrates a distinct

model of biosimilar-led globalisation, in which scientific capabilities, specialised manufacturing and regulatory expertise support participation in higher-value international markets.

STRATEGIC LEVERS BEHIND GLOBAL EXPANSION

The company cases show that globalisation is increasingly being driven by a combination of commercial, technological and organisational capabilities. Rather than relying on a single route to expansion, Indian pharmaceutical companies are combining established manufacturing strengths with international partnerships, portfolio development, regulatory expertise and geographic diversification. These strategic levers are enabling companies to deepen their role in global markets while increasing the value generated from their international operations.

Strategic Acquisitions and Licensing

Acquisitions and licensing arrangements allow Indian pharmaceutical companies to gain access to established products, brands, technologies and international commercial networks more quickly than organic expansion alone. They can also provide entry into new therapeutic areas and geographies while adding specialised capabilities that would otherwise take longer to develop internally.

Deepening Presence in Regulated Markets

Regulated markets remain strategically important because entry and sustained participation require rigorous manufacturing, quality and regulatory capabilities. India's established experience in markets such as the US and Europe provides a platform for companies to introduce increasingly differentiated products and engage with global pharmaceutical partners.

Global Partnerships and Local Market Integration

The collaboration with the international drug and bioengineering companies will provide the companies in India with an opportunity to leverage the capabilities of development, distribution channels, technology, and knowledge of the local markets. In combination with geographic diversification, it enables the Indian firms to customize their portfolio to different healthcare environments.

Building Integrated Global Capabilities

Competitiveness is becoming more reliant on skills that include research, APIs, formulations, manufacturing, and commercialization. Indian companies have thus become more integrated



through various phases of the pharmaceutical value chain, allowing them to maximize the benefits of their inventions from India.

Diversifying Product Portfolios

Companies are expanding beyond conventional generic medicines by adding complex generics, specialty products, biosimilars and other differentiated therapies. Portfolio diversification helps businesses respond to evolving healthcare demand while reducing dependence on individual products, therapeutic areas or market segments.

Taken together, these levers suggest that Indian pharmaceutical companies are increasingly competing on scale plus capability. Manufacturing efficiency remains a core strength, but international success is progressively being shaped by differentiated products, regulatory expertise, technology, specialised manufacturing and global commercial relationships.

GOVERNMENT AND POLICY SUPPORT FOR INDIA'S GLOBAL PHARMACEUTICAL AMBITIONS

The Government of India is improving the pharmaceutical industry by providing appropriate assistance in innovation, biopharmaceuticals, manufacturing, and essential pharmaceutical raw materials. The latest policies are combining the provision of finance along with research facilities and manufacturing advantages, thus enabling Indian companies to acquire competencies that can help them compete in the technological global environment.

Biopharma SHAKTI

According to Union Budget 2026-27, the Biopharma SHAKTI scheme, in its first



five-year phase, will have a budgetary allocation of Rs. 10,000 crore (US$ 1.13 billion) to create a globally competitive domestic ecosystem for biologics and biosimilars. This includes Biopharma Discovery Grant Fund, a specialized NIPER, a biopharmaceutical research & development network of the country, an accredited network of 1000 clinical trial centers, and a support for manufacturing of biologics, biosimilars and manufacturing inputs.

Promotion of Research and Innovation in Pharma & MedTech

The PRIP Scheme has a financial outlay of Rs. 5,000 crores (US$ 0.57 billion) to strengthen research and innovation in pharmaceuticals and medical technology and facilitate a shift from cost-based towards innovation-based growth. Under the scheme, seven Centres of Excellence have been established with budgetary support of Rs. 700 crore (US$ 0.08 billion), while 104 research projects have been approved. A further Rs. 4,250 crore (US$ 0.48 billion) is earmarked for industry and start-ups undertaking research and innovation projects in priority areas. The Department of Pharmaceuticals opened the scheme's second call for applications in August 2026, providing another avenue for companies to advance technologies and products towards commercialisation.

Production-Linked Support for Pharmaceutical Manufacturing

The PLI Scheme for Pharmaceuticals is designed to expand domestic

manufacturing of high-value medicines, complex generics, APIs, drug intermediates and key starting materials. As of December 2025, cumulative investment under the scheme had reached Rs. 41,943 crores (US$ 4.75 billion), substantially exceeding the targeted committed investment of Rs. 17,275 crores (US$ 1.95 billion) over the scheme's six-year period. This investment is strengthening manufacturing capacity and encouraging greater domestic production of higher-value pharmaceutical products.

Strengthening Domestic API and Bulk-Drug Capabilities

The Government is also addressing upstream pharmaceutical manufacturing through the PLI Scheme for Bulk Drugs. As of March 2026, 48 projects had been approved, with cumulative investment of Rs. 5,070.45 crore (US$ 0.57 billion) against committed investment of Rs. 4,329.95 crore (US$ 0.49 billion). Production capacity had been created for 28 APIs, key starting materials and drug intermediates, while 38 projects had been commissioned or progressed towards commercial production. The initiative is intended to reduce vulnerabilities arising from dependence on imported critical pharmaceutical inputs.

Bulk Drug Parks and Manufacturing Infrastructure

Infrastructure development is complementing production-linked incentives. The Government has approved three Bulk Drug Parks in Andhra Pradesh, Gujarat and Himachal Pradesh, with combined project costs exceeding Rs. 6,300 crores (US$ 0.71 billion). Each park is eligible for Rs. 1,000 crores (US$ 0.11 billion) of central assistance towards common infrastructure. These facilities are intended to create manufacturing ecosystems for critical pharmaceutical inputs and improve economies of scale, supply-chain integration and domestic value addition.

BUILDING INDIA'S POSITION ACROSS HIGH-VALUE PHARMACEUTICAL SEGMENTS

India's next phase of global pharmaceutical growth will depend increasingly on its ability to expand beyond its established strength in conventional formulations and capture greater value from technology-intensive products and services. The NITI Aayog assessment identifies biologics, biosimilars and advanced therapeutics as areas with significant headroom, while continued development of specialised APIs, manufacturing capabilities and innovation can help Indian companies participate more deeply across global pharmaceutical value chains

Biosimilars and Biologics

Biosimilars and biologics represent one of the clearest opportunities for Indian companies to increase their participation in higher-value pharmaceutical markets. India's established pharmaceutical manufacturing base provides a foundation for developing these more complex therapies, while companies are increasingly building specialised scientific, regulatory and manufacturing capabilities. Recent activity from Biocon, including regulatory approvals and



international commercial launches for biosimilar products during 2026, demonstrates the growing ability of Indian firms to compete in this segment.

Complex Generics and Specialty Medicines

Complex generics and specialty medicines offer another route for Indian companies to move towards greater value capture without abandoning their established formulation strengths. These products often require more sophisticated development, specialised manufacturing and stronger regulatory capabilities than conventional generics. The Government has identified complex generics, biosimilars and innovation as central to the industry's transition from a volume-driven to a value-driven model, reinforcing their importance in the next stage of global expansion.

Vaccines and Advanced Biopharmaceuticals

India's established capabilities in vaccines provide a platform for deeper participation in advanced biopharmaceutical markets. The opportunity increasingly lies in moving beyond high-volume production towards products with greater technological and scientific complexity. According to NITI Aayog, biologics and advanced therapeutic drugs are manufactured mostly in advanced countries because of their capital intensity, long development time, and strict regulations. Therefore, increasing the relevant competencies will allow Indian firms to claim their part of global pharmaceutical value.

Specialised APIs and Upstream Capabilities

Another important aspect of global position of India's pharmaceutical industry is the strength of the upstream value chain. NITI Aayog states that India managed to increase its positions in specialized chemicals and antibiotics, however, it still has to import a significant amount of raw material and intermediates from China. Development of domestic capacity in manufacture of specialized APIs, starting materials, and other intermediates will improve the security of the supply chain and allow India to increase the value creation in pharmaceutical ecosystem.

Global Pharmaceutical Development and Manufacturing Services

Beyond developing and exporting medicines, Indian companies have an opportunity to deepen their role as global development and manufacturing partners. India's combination of scientific talent established manufacturing infrastructure and regulatory experience can support contract development,



specialised manufacturing, technology transfer and supply partnerships for international pharmaceutical companies. This model can broaden India's participation in global value chains by generating value from capabilities and services in addition to finished-product exports.

Emerging Pharmaceutical and Life-Sciences Clusters

Geographic concentration of capabilities in the pharmaceutical industry is one of the important advantages of the industry. NITI Aayog highlights Telangana, Gujarat, and Maharashtra as core pillars of India's pharmaceutical industry based on manufacturing capabilities, clustering, and globally competitive companies. Clusters will help to build the network of suppliers, specialized workforce, cooperation, and technology transfer, thus creating high-value pharmaceutical activities and integration with international value chains.

Thus, it is possible to observe an overall trend in Indian pharmaceutical competitiveness. The foundation created by the affordable medicines can be expanded into biosimilars, biologics, complex medicines, specialized APIs, and development services. This will increase technological intensity and value of international pharmaceutical business of Indian firms. This change will be very important for Indian firms to become integrated into the global pharmaceutical value chain.

GLOBAL EXPANSION AND INDIA'S PHARMACEUTICAL VALUE CHAIN

The global expansion of Indian pharmaceutical companies is creating effects that extend beyond export growth, strengthening capabilities across manufacturing, research, employment and supply chains. As companies



increase their presence in international markets, demand is also rising for higher-quality manufacturing infrastructure, specialised talent, regulatory capabilities and supporting industrial ecosystems. This is gradually enabling India to capture greater value across the pharmaceutical value chain while strengthening its role in global healthcare supply.

Greater Domestic Manufacturing and Value Addition

The growth in high-value-added activities in pharmaceuticals correlates with higher investments in local production capacity. According to data obtained from the PLI scheme of the government, the total cumulative investment in pharmaceutical-drug projects stood at Rs. 45,158 crore (US$ 5.11 billion) by March 2026, with eligible manufacturing activities providing around 1.15 lakh job openings. Increased investment strengthens the capability of local production and helps in developing an industrial base around pharmaceutical production.

Strengthening Employment and Skilled Capabilities

The pharmaceutical operations worldwide require skills in various areas like research, clinical development, regulatory affairs, quality control, engineering, and advanced manufacturing. As the Indian companies

grow to offer more advanced products in the international market, there is a need for higher skill competencies in the industry. Such developments can help in developing pharmaceutical workforce in India as well as other allied industries.

Deeper Integration Across the Supply Chain

Global competitiveness increasingly depends on the ability to integrate upstream inputs with formulation, manufacturing and international commercialisation. India's efforts to strengthen API and critical-input production are therefore important to the broader value chain. The Government reported that 56,800 tonnes per annum of manufacturing capacity for 28 critical KSMs, drug intermediates and APIs had been created by December 2025, strengthening domestic supply capabilities and reducing vulnerabilities associated with import dependence.

Technology Transfer and Innovation Spillovers

International expansion can also accelerate the transfer of technologies, manufacturing practices and regulatory knowledge into India's pharmaceutical ecosystem. Partnerships with global companies expose Indian businesses to advanced development processes, quality systems and specialised technologies, while domestic R&D and manufacturing capabilities provide a base for adapting and commercialising these capabilities in India.

Greater Integration with Global Healthcare Markets

The global presence of Indian pharma companies has helped increase the level of inclusion of India within the global healthcare supply chains. The official discourses have focused on the importance of trade arrangements and international cooperation as means of ensuring increased market access for Indian medicines and technology. Such ties can lead to the creation of further opportunities for Indian producers along with the strengthening of India's position as a reliable provider of high-quality, low-cost healthcare products.

All these indicate that the process of internationalization of Indian pharma firms is one of capability-building. An increase in investments, creation of skill-based jobs, domestic content, use of technology and international linkages can reinforce each other and help India transform itself from being a large exporter of medicines to an important part of the global healthcare value chain.

THE ROAD AHEAD: MOVING UP THE GLOBAL PHARMACEUTICAL VALUE CHAIN

The Indian pharmaceutical industry is reaching a stage where the global competitive edge of the industry would be based not only on the cost advantage it already holds, but also on the depth of capabilities that can be built along with the existing advantage. The move by Indian companies into specialty therapies, complex products, biosimilars, high technology, and global partnerships is building an enlarged base for value-



adding participation in global pharmaceutical markets. Success in the future could further consolidate the role of Indian companies not only as medicines producers but also as developers and manufacturers.

Further expansion will require the capacity to develop distinguishing competencies in those fields where more sophistication in science and technology is needed. The interaction between pharmaceuticals, research and development institutions, start-ups, and global collaborators may be helpful in introducing such complicated drugs and biological products.

The strategy of acquisitions, licensing, and international collaborations will remain an effective means of technology acquisition, product acquisition, distribution capabilities, and unique expertise. In parallel, diversification in both developing and developed countries can provide Indian companies with further opportunities for growth without being dependent on any geographical location.

The future phase of growth in international markets will require the development of competencies that cover the full pharmaceutical value chain, including research and development, key inputs, specific production processes, compliance requirements, and global marketing of products. The development of such competencies in India may help add to domestic value addition and contribute to increasing its influence within the global healthcare supply chain.

Thus, it appears that the Indian pharmaceutical industry is provided with a possibility to move beyond being a manufacturing and generic drugs giant and become a diversified pharmaceutical industry capable of innovation. The combination of well-established manufacturing practices, research and development, unique products, and globalization can help with increasing value creation and ensure India's place in the international pharmaceutical market.

