GLOBAL TRENDS OF PHARMACEUTICAL INDUSTRY (LUPIN LTD)

Dissertation Submitted to

The IIHMR University, Jaipur

for the partial fulfilment for the award of the degree of

Master of Business Administration (MBA)

in

Pharmaceutical Management

By

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Under the Supervision and Guidance of

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2024

CERTIFICATE

This is to certify that **Ms. Kimaya Save** in partial fulfillment of the requirements for the award of the Degree of MBA Pharmaceutical Management from the IIHMR University, Jaipur has successfully completed her internship at IIHMR University, Jaipur during May 01, 2024 to June 25, 2024.

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DECLARATION BY STUDENT

I **Kimaya Yogesh Save** Enrollment no **IIHMR-U/02/2022-24/0395** hereby declare that this dissertation titled **Global Trends Of Pharmaceutical Industry (Lupin Ltd)** is the bonafide record of my original research work. I declare that it has not been submitted to any other university or institution for the award of any degree or diploma. Information derived from the published or unpublished work of others has been duly acknowledged in the text.

Name of student- Kimaya Yogesh Save

Date 28|06|2024

CERTIFICATE

This is to certify that dissertation titled The Global Trends of Pharmaceutical Industry (Lupin Ltd) is a record of the research work undertaken by Kimaya Yogesh Save in partial fulfillment of the requirements for the award of the degree MBA (PharmaceuticalManagement from the IIHMR University, Jaipur under my guidance and supervision and his/her approach to the research study has been sincere, scientific, and analytical.

Prof. Rahul Sharma.
IIHMR University, Jaipur

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Dean of School of Pharmaceutical Management
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ABSTRACT

This abstract dissects the current dynamics of the global pharmaceutical market. It identifies key trends propelling the industry forward, such as the burgeoning application of precision medicine, and digital therapeutics. These advancements hold immense promise for personalized drug development and enhanced patient care. Additionally, the abstract explores the evolving demographics and disease burden, highlighting the rising demand for novel treatments to address chronic illnesses and cater to aging populations.

However, the abstract acknowledges the significant challenges that continue to impede progress. These include the high costs and stagnant productivity within the R&D domain, where developing new drugs remains a financially burdensome and time-consuming endeavour. Furthermore, the abstract emphasizes the need to streamline lengthy and complex regulatory approval processes while maintaining patient safety. Finally, it recognizes the ongoing threat posed by counterfeit drugs, underlining the importance of securing the global pharmaceutical supply chain.

By providing a concise overview of both the opportunities and challenges facing the pharmaceutical industry, this abstract underscore the need for a comprehensive understanding of this evolving landscape. This knowledge is crucial for stakeholders to navigate the complex environment and ensure the development of life-saving medications, ultimately improving healthcare outcomes for patients worldwide.

INTRODUCTION

The pharmaceutical industry is a cornerstone of global healthcare, shouldering the responsibility of developing life-saving medications and fostering innovation to combat emerging diseases. This dissertation report delves into the key trends currently transforming this vital sector and explores their potential consequences for Lupin Ltd. By understanding the evolving industry landscape, characterized by these trends, Lupin can strategically position itself for continued success in the global market. The ever-changing landscape presents both exciting opportunities and significant challenges. Companies that can adapt to these trends and leverage them strategically will be well-positioned to thrive. Conversely, those that fail to adapt risk falling behind in this highly competitive industry.

The pharmaceutical market is projected for growth at a compound annual growth rate (CAGR) of 4.5%, between an estimated value of $1.3 trillion in 2022 to a valuation of $1.9 trillion in 2027, in accordance to the 2023 January publication of IQVIA Market Forecast. Global drug expenditures are expected to exceed pre-pandemic forecasts in 2020 and 2027, mainly due to greater spending on COVID-19 vaccines and treatments, as well as impacts on various healthcare domains. Drug use globally peaked in 2022 after a notable rebound in 2021 as the market emerged from the pandemic.

Geographic variations in usage and growth in volume are apparent with lupin's rise having noticeable in larger, more established markets. In contrast, the emerging areas of Latin America, Asia, and Eastern Europe should see rises in both volume and consumption. Through 2027, it is projected that total volume will grow by 1.6% in treatment days, with Asia Pacific, India, Latin America, Africa and the Middle East, and China heading the way and outperforming global volume growth. By 2027, the growth rate of the higher income areas of Eastern Europe, Japan, and Western and North America is anticipated to vary from 0.1% to 0.4%, in part due to their existing bigger per capita spending. The stretched war in Ukraine has caused disruptions that have been inhibiting the development of volumes in Eastern Europe [1]

The anticipated expansion era for the global lupin marketplace is 2024–2031, and significant enhance is projected through that time. Following the market's expected steady expansion in 2021 and the biggest players' growing acceptance of techniques, it is projected to exceed the anticipated horizon in 2021.

At Lupin, we are resolutely devoted to developing a future whereby healthcare is sustainable, transformative, and readily accessible, improving people's lives and communities around the world. As a top pharmaceutical company, our primary goal is to add value for everyone involved. [2]

TOP 8 BRANDS OF LUPIN IN INDIAN PHARMACEUTICAL MARKET (IRF MARKET)

1. Gluconorm-G
2. Budamate
3. Humisulin
4. Ivabrad
5. Ajaduo
6. Tonact
7. Ondero
8. Rablet-D [1]

LITERATURE REVIEW

In the Indian pharmaceutical market (IPM), Lupin's business activities in India have been an outstanding success, particularly in the chronic and high-growth therapeutic sections.In the Indian pharmaceutical market (IPM), lupin's operations throughout India were an impressive success, specifically in the chronic and high-growth therapeutic industry sectors.With revenue of ₹ 60,759 crore, the segment represents up 37% of LUPIN's total earnings, allowing the company establish excellent profitability while developing enormous sustainable value. [1]

Doctors in India prefer LUPIN as their favourite partner owing to its wide variety of affordable and excellent drugs and their successful interaction with customers tactics. The company's position of sixth in the Indian Pharmaceutical Market (IPM) as of March 2023 acts as evidence of its achievements. Sales of LUPIN generics increased 6.5% in FY23, generating a five-year compound growth rate (CAGR) of 10.4%, which is 9.9% greater than the market CAGR. [1]

Due to those results, LUPIN's market share grew to 3.45% in FY23.The chronic segment is the primary means of sales for Lupin's established pharmaceutical business, India Region Formulations (IRF).To be more precise, Lupin landed in fifth place in the highly intriguing rapidly growing chronic market. The answer to Lupin's success has been to concentrate on India's top five therapeutic areas: anti-infectives, diabetes, respiratory, gastrointestinal, and cardiology. These five groups account for 73 percent of the revenue generated by the business[2]

LUPIN progressively endorsed the anti-tuberculosis categories by utilising its knowledge and expertise. It also maintained a dominating second place in the general respiratory category and a third position in the area of diabetes and cardiology category.

Lupin has a strong presence in these significant therapeutic areas, as seen by the almost ₹1,500 crore it made investments in diabetes and cardiovascular drugs. In addition to that, LUPIN's gastro+liver therapies surpassed the Rs 600 crore mark in FY23, and its respiratory therapy reached a milestone of Rs 1,000 million. In a comparable manner when the market increased by 8.7 percent, the LUPIN for the core segment rose to 7.1 percent. [2]

In addition, LUPIN surpassed the market growth of 7% in the Respiratory region, having growth of 8.1 percent. Such results indicate that LUPIN is an important force in the market and that it is expected to continue to expand and achieve success in the years that lie ahead. [2]

The market structure is thoroughly investigated in the global LUPIN market research report, which additionally provides a forecast of the industry's major categories and sub-segments. The research project contains an in-depth examination of the core abilities of major competitors, a strategic assessment of these firms, and a competitive landscape drawing of the business sector. Secondary research was used to determine the significant market participants, and both primary and secondary data was utilised for estimating their market shares

To be able to accurately assess the financial health and profitability of the company, financial performance analysis involves analysing and making sense of financial statements. This expression is frequently employed to describe the general state of the financial health of an organisation during a certain time.[3]

RESEARCH METHODOLGY

Research Questions

- What initiatives were conducted by LUPIN Ltd to revolutionize the therapy outcome in the market?
- What challenges were faced in domestic market as well as international market?

[1]

Objective of study

To analyse Unveiling Opportunities and Challenges in the Global Pharmaceutical Market

Hypothesis

A comprehensive analysis of global trends in the pharmaceutical industry alongside a detailed examination of the challenges faced, the study aspires to illuminate a path forward for a more informed, robust, and equitable pharmaceutical landscape that ultimately benefits patients worldwide.
This study provides Non directional hypothesis

Material and Methods

Study design: Descriptive Type

Setting: It would be secondary research, with the goal of compiling data from legal documents, regulatory documents, case studies and reports that are already inexistence.

Sample Source: Secondary Research

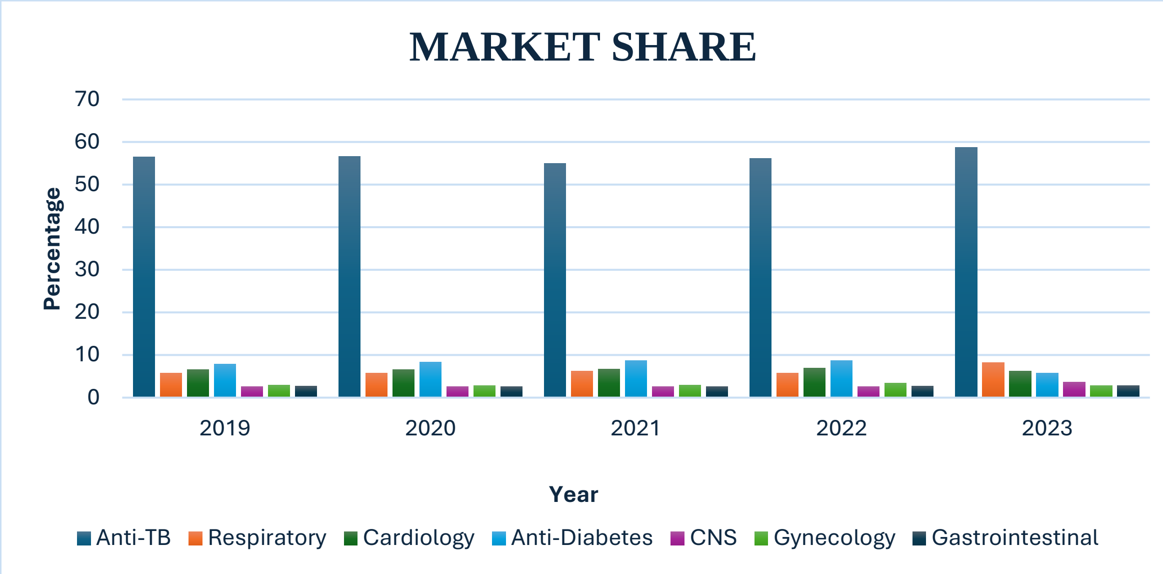
Research Approach/Procedure: Qualitative Approach

Ethical consideration

The required research standards were followed during the research. Social and clinical value is preserved. Scientific validity is maintained with independent review of the study. The global pharmaceutical industry is undergoing a transformative period, presenting both exciting opportunities and significant challenges for Lupin Ltd. While these trends hold immense potential to improve global health, they also raise critical ethical considerations that require careful attention. Lupin must navigate a complex landscape where ensuring access to affordable medications coexists with the need to invest in innovative drug development. The focus on high-cost specialty drugs necessitates strategies to address potential access disparities, particularly in developing countries. Stringent regulations, while necessary for safety, can hinder innovation. Lupin can play a role in advocating for a balanced approach that fosters research and development while upholding the highest safety standards. Technological advancements offer powerful tools for drug discovery, but ethical considerations regarding data privacy, ownership, and algorithmic bias must be addressed. Marketing practices require responsible communication to avoid misleading information and over-medicalization. Finally, the industry's environmental impact necessitates a commitment to sustainable practices and responsible drug disposal. By prioritizing ethical considerations throughout its operations, Lupin can solidify its position as a leader in the global market, one that is not only commercially successful but also contributes meaningfully to global health and well-being. [2]

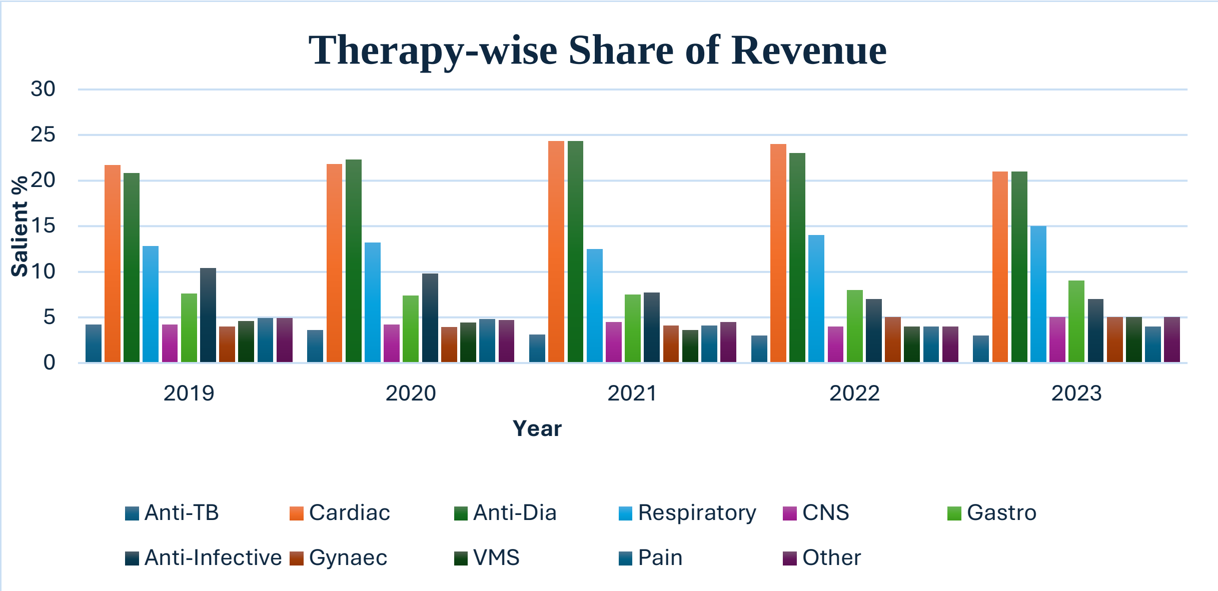
RESULT AND DISCUSSION

Lupin's Therapy-Wise Ranking



The above graph provides information through out 5 consecutive years depicting the Market share of various therapy segments including Anti -TB, Respiratory, Cardiology, Anti-diabetic, CNS, Gynaecology, Gastrointestinal. The market share of the anti-TB market is relatively consistent and up with over the five years, accounting for maximum of market share. The market share of respiratory and cardiology therapeutics is also relatively at around 30% and 25% respectively. The market share of anti-diabetes therapeutics has grown slightly over the five years, from 10% in 2019 to 15% in 2023.The market share of CNS, gynaecology, and gastrointestinal therapeutics has also grown slightly over the five years. [5]

Therapy-Wise Share of Revenue

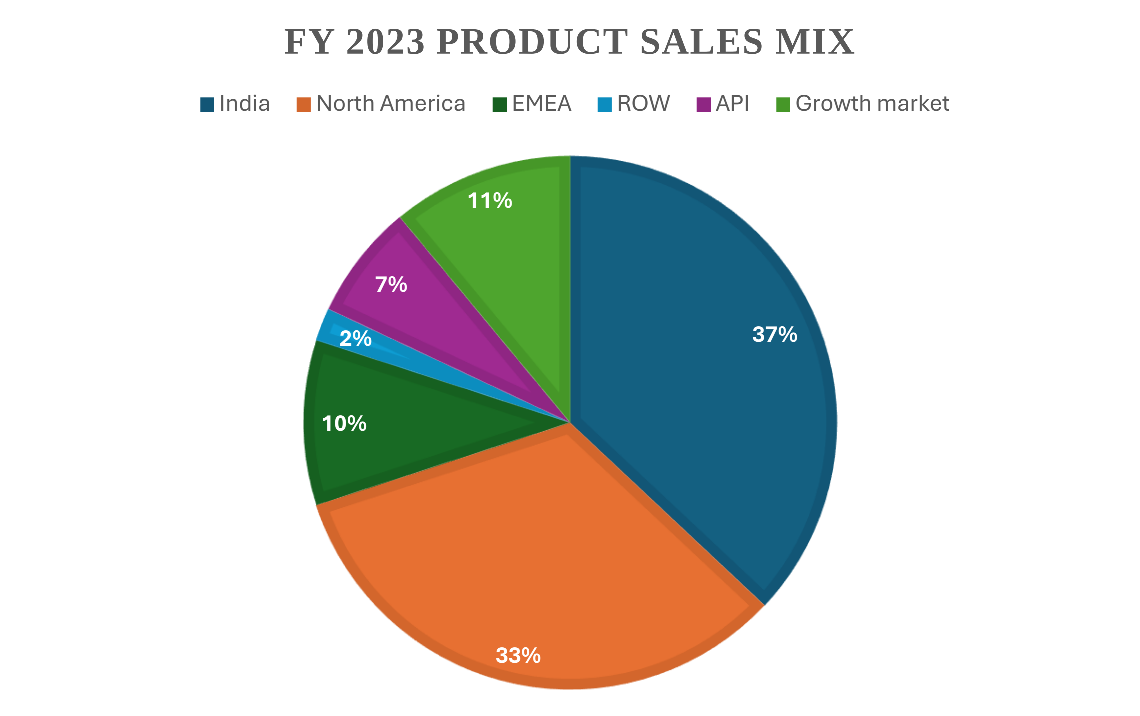


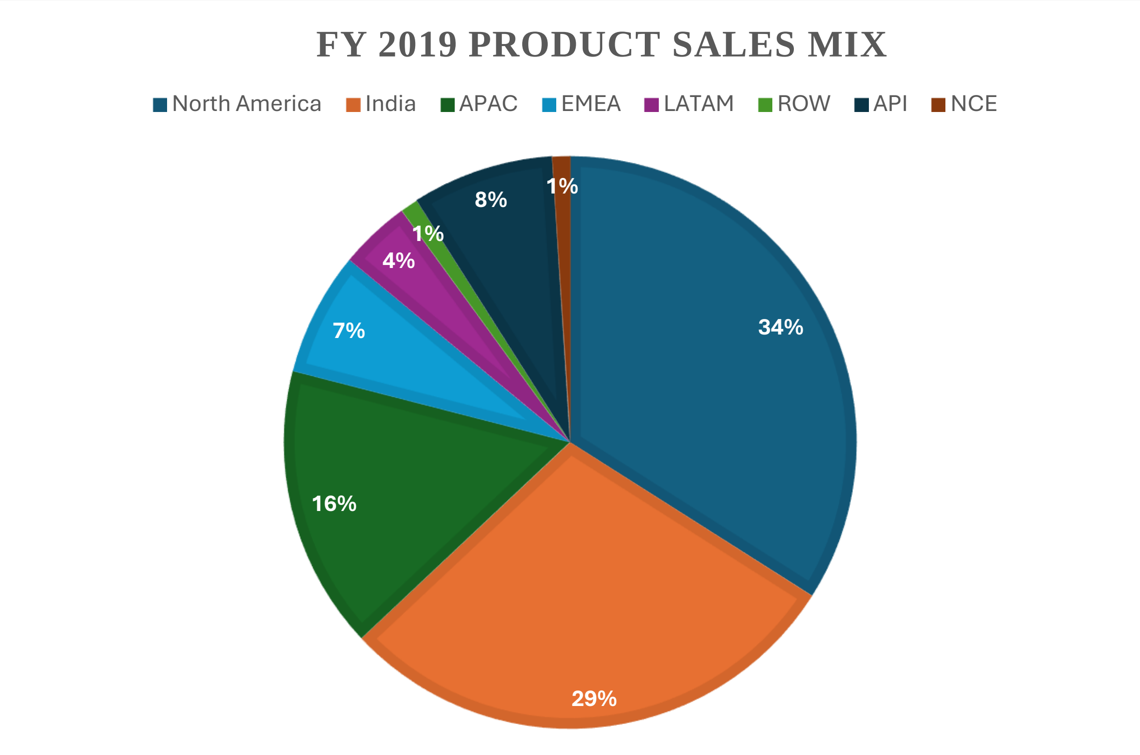
The graph depicts the market share of various therapeutic areas from 2019 to 2023. The y-axis shows the percentage of revenue, but the x-axis shows the consecutive years Anti-TB market seem to be most stable with proximal stability from 2021-2023

While Cardiac market followed by Anti-diabetic market have shown uprise and slight downfall in all the range of five years. [6]

While respiratory market have shown growth from year 2020 -2023.Gastro as well as CNS shows consistency in growth of revenue.While Anti-Infectives revenue has reduced in 2023 as compared to 2019.Also the remaining therapy segments shows increase over time. Overall, the graph suggests that the revenue share of Anti-TB and Cardiac therapies is the highest and has remained relatively flat over the five years. The revenue share of CNS, Gastro, Anti-Diabetic and Gynaecological therapies appears to be increasing slightly over time. It is important to note that the scale on the y-axis is not labeled, so it is difficult to say definitively how much the market share of each therapeutic area has grown or declined. [7]

Product sales mix





According to product sales mix present here, the sales in India has increased by 4% annually in comparison. Followed by the sales of North America, the sales have increased from 34% to 37% while ROW market also shows significant growth in these consecutive years with 7% in year 2023.While various segments also show consistent growth such as LATAM,EMEA,API etc. [8]

CONCLUSION

The global pharmaceutical market is at an important turning point. While advances in precision medicine, digital technology and globalization offer enormous potential for personalized care and better access to medicines, significant challenges remain.

High R&D costs, complex regulatory processes and the threat of counterfeit medicines hinder innovation and patient access. This study highlights the critical need for a multifaceted approach. Pharmaceutical companies must adopt cost-effective strategies and use digital tools to accelerate drug development. Collaboration with regulatory agencies can promote innovation while ensuring patient safety. The fight against fake medicines requires strong security measures in the supply chain.

In addition, ensuring affordability requires exploring value-based pricing models and promoting international cooperation to ensure equitable access to medicines.By planning effectively with these trends and challenges, the pharmaceutical industry can unlock the future of personalized medicine, better patient outcomes and a more equitable global health landscape. [10]

RECOMMENDATION AND SUGGESTIONS

- Investing in emerging trends
- Priotizing and rejeunjvating the existing drugs
- Embrazing International Harmonization
- Developing value based pricing model
- Focus on preventative care (Patient centricity)

LIMITATION OF STUDY

- Updated advancement reports are not available
- Limited amount of case studies and annual reports available for analysis if data
- The report contains perspective of various and numerous publishers
- The study is confined to five years data only, i. e. 2019-2023.
- The research is predicated on secondary data gathered from Lupin Pharmaceutical's annual reports.

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