

Chapter 1

Industry Analysis

Chapter 1: Introduction of Pharmaceutical Industry

1.1 Definition

(Statista, 2024) The pharmaceutical industry includes products and services for diagnosing, treating, curing, and preventing illnesses. You may refer to these biologic medical goods or small molecule drugs as drugs, meds, or medicines. Both over-the-counter (OTC) and prescription medications are covered. These products can be purchased elsewhere or are supplied by pharmacies, hospitals, doctors' offices, and/or drug stores, depending on the laws in each nation. They may be administered as tablets, capsules, lubricants, ointments, injections, infusions, lozenges, aerosols/sprays, or injections.

1.2 Introduction of Global pharmaceutical industry.

The pharmaceuticals market is anticipated to generate US\$1,156.00 billion in revenue in 2024. It is anticipated that Oncology Drugs will be the largest of the primary markets, with a projected market value of US\$214.10 billion in 2024. By 2028, it is anticipated that the revenue of this industry will increase at a compound annual growth rate (CAGR) of 6.19%, resulting in a market size of US\$1,470.00 billion. In a global context, it is intriguing that the United States is expected to generate US\$636.90 billion in revenue in 2024. Numerous nations comprise the global pharmaceutical market. The United States remains the global leader in pharmaceutical innovation due to its refined healthcare infrastructure and robust R&D capabilities.

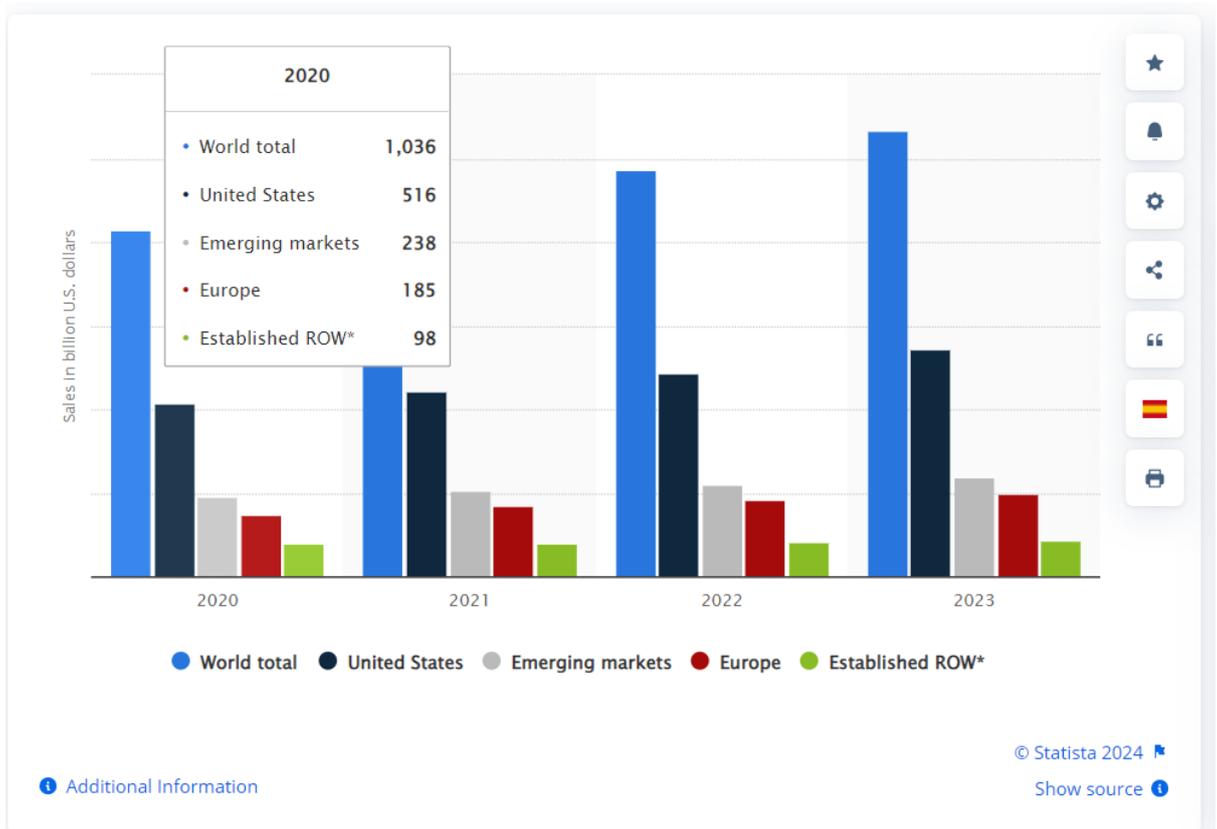
1.3 Global selling data of pharmaceutical industry: 2020 to 2023

According to report (Statista, 2024) This figure, broken down by geographical submarkets, shows the total pharmaceutical sales worldwide from 2020 to 2023. It was projected that total pharmaceutical sales in the US would reach about 678 billion dollars in 2023. The production of pharmaceutical medications intended to identify, treat, cure, or prevent diseases is the pharmaceutical industry's most well-known product. The pharmaceutical industry is a massive one, with a global market valuation of about 1.3 trillion dollars. The most well-known major international pharmaceutical corporations are Novartis and Roche from Switzerland, Pfizer, Merck, and Johnson & Johnson from

the United States, Sanofi from France, etc. As such, the pharmaceutical submarkets in North America and Europe continue to be among the largest worldwide.

With over 670 billion dollars in revenue, the United States remained the largest pharmaceutical market in the world in 2023. It was estimated that Europe produced about 250 billion dollars. These two markets make up the so-called established (or developed) markets, together with those of Japan, Canada, and Australia. China, Russia, Brazil, and India are examples of emerging markets that account for the majority of the remaining worldwide pharmaceutical income. Actually, the fastest growth in pharmaceutical sales is seen in these growing markets. Up to 2027, Latin America is expected to have the highest compound annual growth rate of any area in the globe.

1.1 Global selling data of pharmaceutical industry: 2020 to 2023 (in billion U.S. dollars)



(Source: pharmaceutical sales – Statista -may 2024 report)

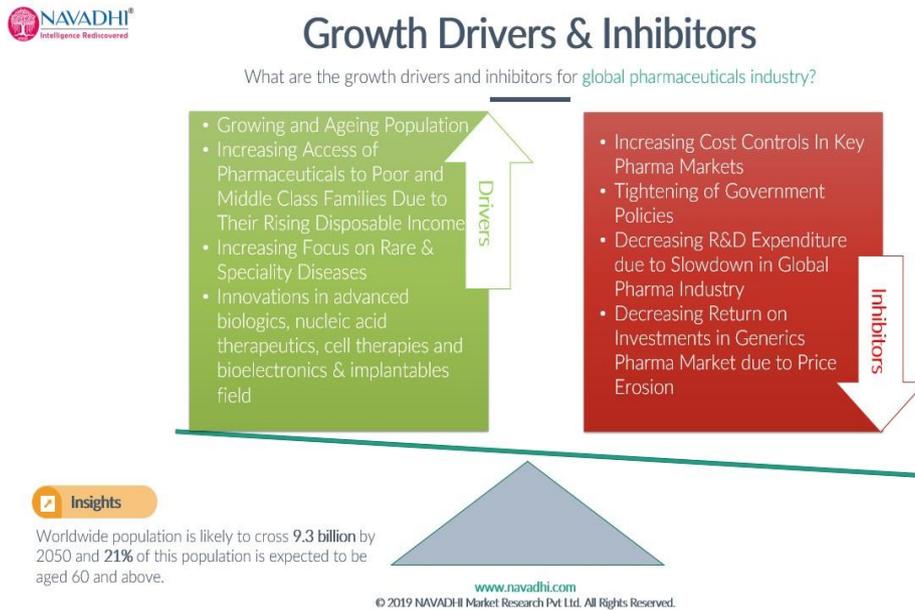
1.4 Growth drivers of worldwide Pharmaceutical Industry

(Navadhi, 2023) The expansion of industries is stimulated by the aging and expanding populations of key markets. As per the United Nations' World Population Prospects, the global population is expected to reach 9.3 billion by 2050, with approximately 21% of this population being 60 years of age or older. In addition to the aging and expanding population, the global pharmaceutical industry is also being driven forward by improvements in purchasing power and access to quality healthcare and medications for impoverished and middle-class families worldwide.

This expansion is also being driven by the increased focus of pharmaceutical companies on the rare and specialty disorders market. Non-pharma companies, including Qualcomm and Facebook, have invested in the market due to advancements in bioelectronics and implant tables, cell therapies, nucleic acid medications, and advanced biologics. These investments are also contributing to the expansion of the global pharmaceutical industry.

On the other hand, it is anticipated that governments in significant markets will implement cost-control measures and impose more stringent regulations, which will impact the potential for the global pharmaceuticals industry to thrive. Pharmaceutical companies have been compelled to reduce their research and development (R&D) investment as a result of the recent decline in growth. This is anticipated to have a detrimental effect on the expansion of the global pharmaceutical market, as the exclusivity of new products accounts for a substantial portion of the revenue generated by pharmaceutical companies. Furthermore, the generic pharmaceutical industry is experiencing a decreasing return on investment as a result of price erosion in critical regions. This has prompted numerous companies to investigate new markets and growth prospects.

1.2 Growth drivers & Inhibitors



(Source: Navadhi.com – Global Pharmaceutical Industry Analysis trends 2023)

1.5 History of Indian Pharmaceutical Industry

The Development of the Pharmaceutical Industry

(Avhad, 2020) The initial Indian pharmaceutical company was established in 1901 and commenced operations in Calcutta (now Kolkata). Four distinct periods ensued: The Indian Patents and Design Act, 1911, which recognized product and process patents, served as the foundation of patent law prior to 1970. The market was primarily dominated by foreign companies during this period, with a limited number of domestic companies.

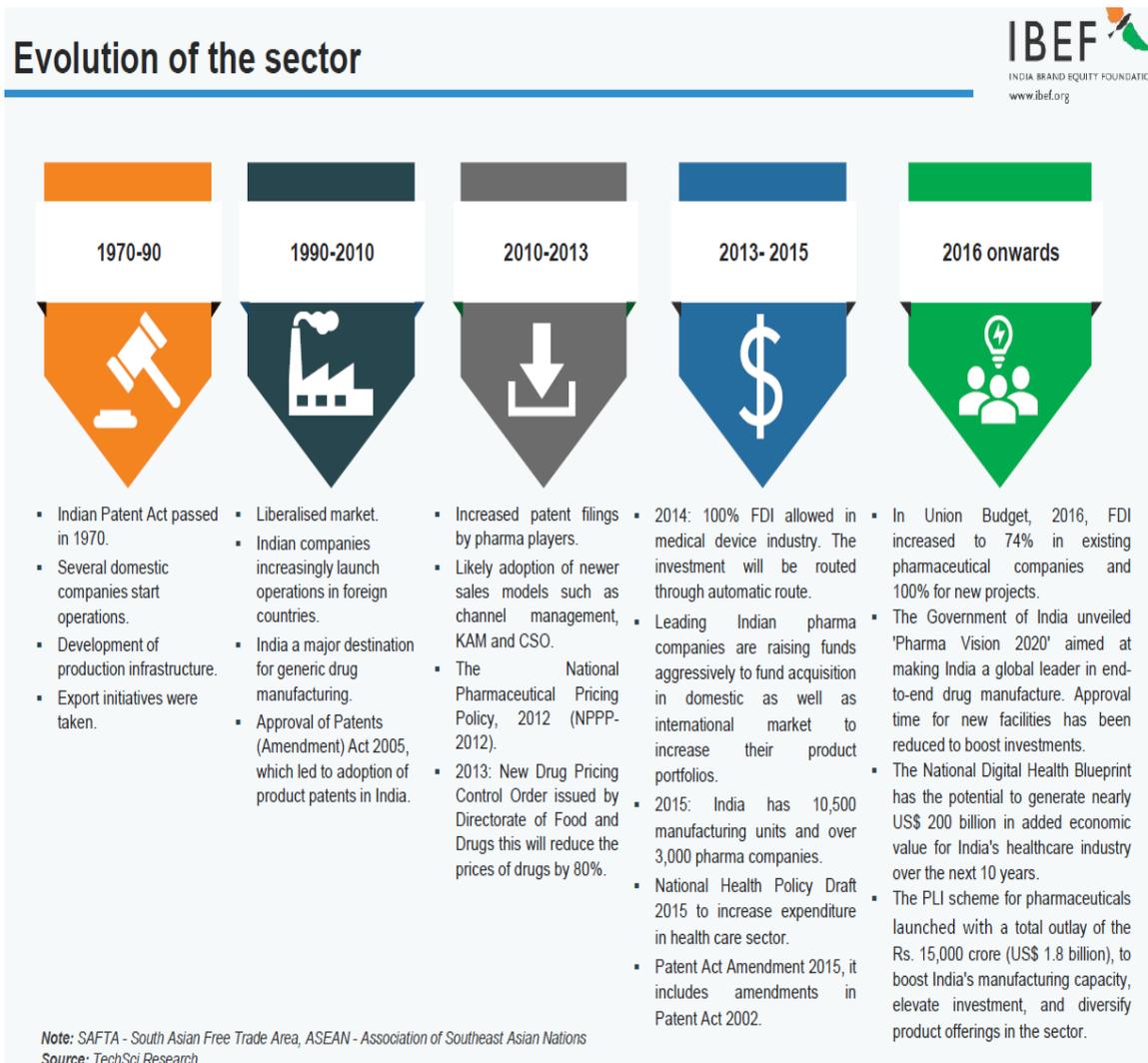
The Government's Patents Act updated the 1911 Act with additional proposals and revisions from 1970 to 1995. It is implied that the patenting regime was wholly focused on manufacturing, as the new Patents Act recognized process patents but not product patents. It also enabled indigenous pharmaceutical companies to reverse engineer drug manufacturing processes without being required to pay royalties to the original patent holders. Consequently, the number of patents granted between 1970-1971 and 1980-1981 decreased by seventy-five percent. Additionally, the 1979 Drug Price Control Order restricted the aggregate earnings of pharmaceutical corporations. Five and six A flourishing generic pharmaceuticals industry was the consequence of a significant

increase in the number of local pharmaceutical enterprises during this decade, which rose from 2,000 in 1970 to 24,000 in 1995. Additionally, it resulted in a significant exodus of foreign nationals.

From 1995 to 2005, a number of Indian pharmaceutical businesses entered the global export market. The experience they gained from concentrating on the production of generic pharmaceuticals enabled them to expand their capacities and target a global audience. India's 1991 economic liberalization, which increased the country's economic permeability to globalization and privatization, facilitated the acceleration of pharmaceutical export growth during this period.

The 2005 Patents (Amendment) Act eliminated the process patenting system and instituted product patents from 2005 to 2018. As a result, Indian pharmaceutical companies were unable to manufacture generic versions of these medications while they were still protected by patents. Incentivizing international pharmaceutical companies to return to India. In order to remain competitive with their international counterparts, Indian pharmaceutical businesses began to allocate additional resources to research and development during this post-process patent paradigm. While some of these organizations established joint ventures with international pharmaceutical corporations to conduct research and development, others created their own innovative compounds.

1.3 Development of pharmaceutical industry of India



(source: Indian brand equity foundation IBEF)

1.6 Current Growth of Indian Pharmaceutical Industry

In March 2024, the Indian pharmaceutical market experiences a 9.5% increase. According to market research firm (Pharmatrac, 2024) In March 2024, the Indian Pharmaceutical Market (IPM) experienced a 9.5% increase in growth, which was primarily due to positive value growth in all primary therapeutic categories. The total turnover of Rs 1.98 trillion was the result of a 6.5% increase in the moving annual turnover (MAT) or the turnover of the previous 12 months between April 2023 and March 2024, while domestic market volumes decreased by 1%.

1.7 key segments of the Indian pharmaceutical industry

Contract research and manufacturing services (CRAMS):

Within the pharmaceutical and biotechnology industries, one of the fastest-growing categories is contract research and manufacturing services (CRAMS). The pharmaceutical industry uses Outsourcing services are provided by contract manufacturing organizations (CMOs) and contract research organizations (CROs).

Active Pharmaceutical Ingredients(API):

With around 35% of the market, active pharmaceutical ingredients, or APIs, are a vital sector of the pharmaceutical industry. The biologically active ingredient (API) in a medication is what produces the desired therapeutic effect.

India holds the third position in the global API industry as the largest producer, with 8% of the market. India produces more than 500 different APIs, accounting for 57% of the APIs on the WHO's prequalified list.

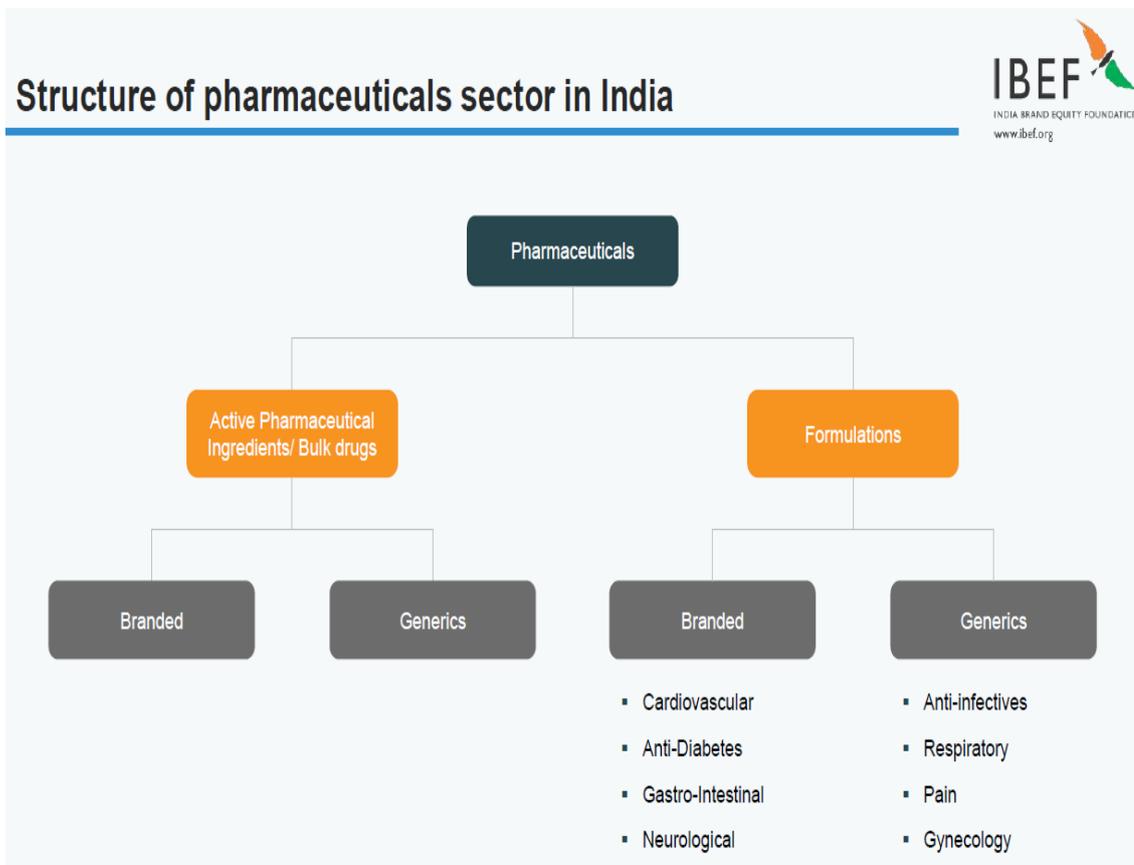
Biosimilar

By 2025, the biosimilars market in India is projected to expand at a compound annual growth rate (CAGR) of 22%, reaching a valuation of US\$ 12 billion. This would be close to 20% of India's overall pharmaceutical market.

Formulations

In terms of volume, it is the largest formula exporter, holding a 14% market share and ranking 12th in terms of export value. Over the next five years, double-digit growth is anticipated. The Indian pharmaceutical packaging industry, according to Allied industry Research, is projected to grow at a compound annual growth rate (CAGR) of 7.54% from its 2020 valuation of US\$ 1,434.1 million to US\$ 3,027.14 million by 2030.

1.4 Pharmaceutical industry structure



(IBEF report -2022)

1.5 Indian Pharmaceutical Market future forecasting



(Invest India report 2023)

1.8 Indian Pharmaceutical Market future forecasting

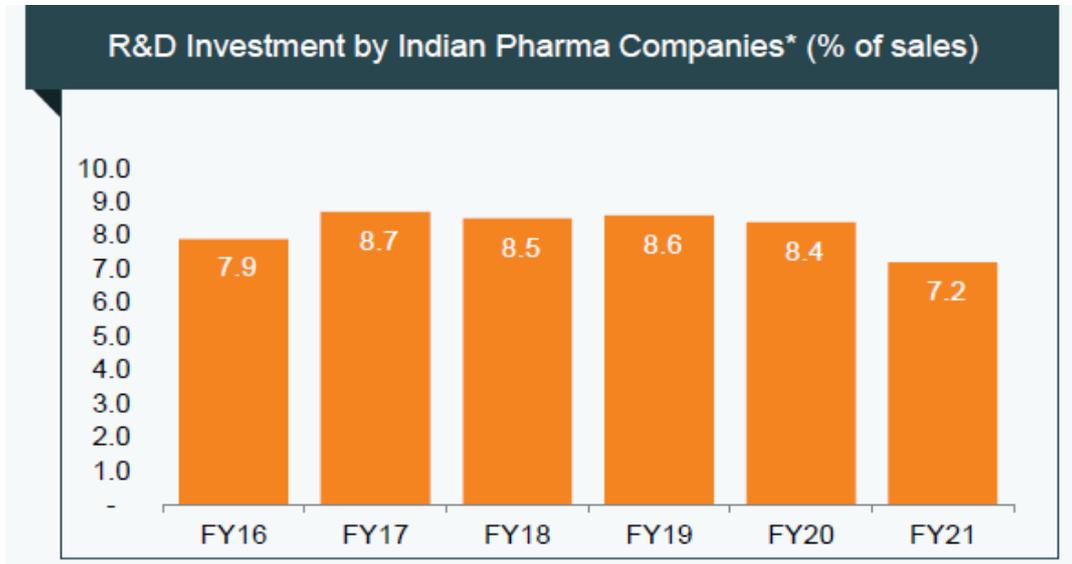
The Indian pharmaceutical industry is internationally recognized for its production of generic medications and affordable vaccinations. Indian pharmaceuticals have developed into a prospering industry over the years, and they presently occupy the third position in terms of pharmaceutical manufacturing volume. India's pharmaceutical sector is ranked third globally in terms of volume and fourteenth globally in terms of value. At present, the pharmaceutical industry accounts for approximately 1.72% of the nation's GDP. According to ICRA, the pharmaceutical sector in India is projected to expand by 9–11% in the fiscal year 2024.

The Indian pharmaceutical market showed a roughly 5% year-over-year rise in FY23, reaching US\$ 49.78 billion. The Indian pharmaceutical sector had a compound annual growth rate (CAGR) of 6-8% from FY18 to FY23, mostly due to a 6% increase in the local market and an 8% increase in exports. Contract research and manufacturing, biologics and biosimilars, vaccines, over-the-counter medicines, API/bulk medications, and generic drugs are the main segments of the pharmaceutical industry. The pharmaceutical market in India is projected to grow to a value of US\$ 65 billion by 2024, US\$ 130 billion by 2030, and US\$ 450 billion by 2047.

India is third in the world for API sales, accounting for 8% of the worldwide API industry. More than 500 different APIs are produced there, and the country supplies 57% of the APIs on the WHO's prequalified list. One of the top ten industries in India that attracts foreign investment is the pharmaceutical sector. India sells pharmaceuticals to almost 200 countries worldwide, including the heavily regulated markets of the United States, Western Europe, Japan, and Australia. India supplied over 114 nations worldwide with approximately 45 tonnes and 400 million tablets of hydroxychloroquine in 2020. According to estimates, the Indian medical device market would be worth US\$ 11 billion by 2023, accounting for 1.5% of the global medical device market. The government of India has set a lofty goal to grow the medical device sector to US\$ 50 billion by 2030.

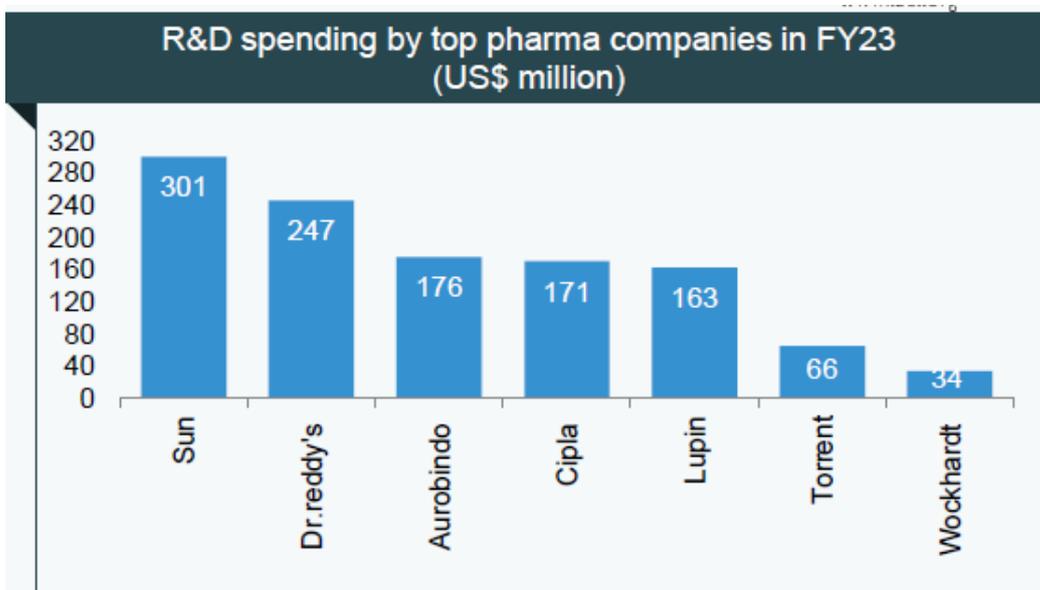
1.9 Spending on research and development by Indian pharmaceutical industry.

1.6 R&D Investment by Indian Pharma Companies



(Source: Indian brand equity foundation: IBFE -2024)

1.7 R&D Spending by top Pharma Companies



1.10 Investment in Research & Development by Indian Pharmaceuticals Industry

In the face of the pandemic, the biotechnology and pharmaceutical sectors demonstrated resilience and grit, always changing and innovating for better outcomes. The industry has seen innovation in the areas of novel vaccination technology and treatment approaches, as well as the R&D that goes into developing these vaccines and treatments.

The use of current technologies to manufacture drugs, improve scientific procedures, and discover novel therapeutic approaches is rapidly gaining popularity.

India is developing a policy framework that includes intellectual property and technology commercialization, government procurement, scientific research, education, skill development, ease of doing business, regulatory legislation, and tax and financial incentives. These regulatory changes will encourage private sector investment in pharmaceutical R&D. The Union Budget 2023 aims to stimulate innovation by promoting pharmaceutical research and innovation through Centers of Excellence.

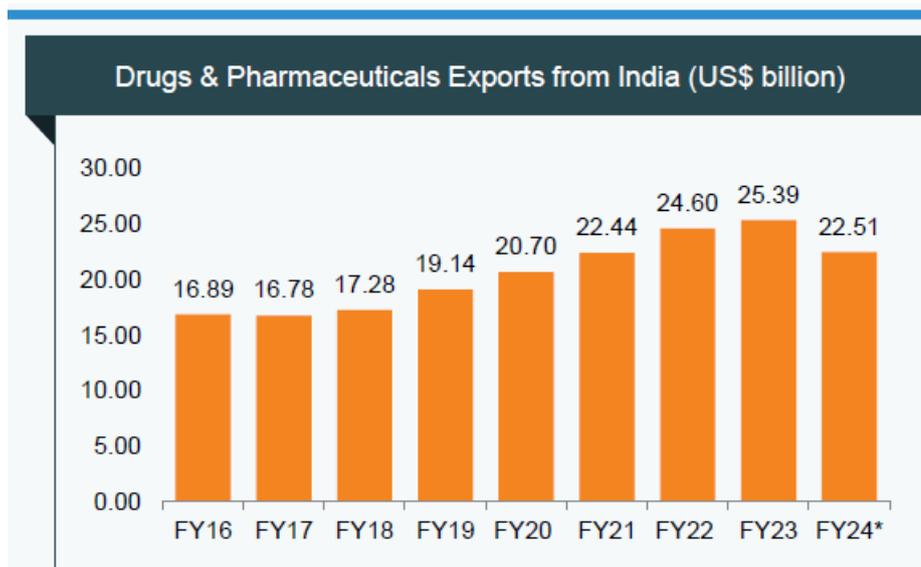
A new program will be launched through centers of excellence to promote pharmaceutical innovation and research. The government persuades corporations to spend money on R&D in a few key areas. The government plans to develop 157 nursing institutions alongside its medical colleges. Additionally, the government would support a few ICMR labs that include resources for academics from private and public medical colleges to do research alongside private sector R&D teams.

The government allocated Rs. 1,000 crore (US\$ 120 million) in the Interim Budget 2024–25 for the promotion of bulk drug parks for FY25, a considerable increase over the previous year. Additionally, the entire budget for the FY25 pharmaceutical industry development was raised to Rs. 1,300 crore (US\$ 156.5 million). Additionally, an increase in funding was made to Rs. 150 crore (US\$ 18 million) for the FY25 medical device park marketing.

The National Policy on Research & Development and Innovation in Pharma-MediTech Sector in India and the Scheme for Promotion of Research & Innovation in Pharma

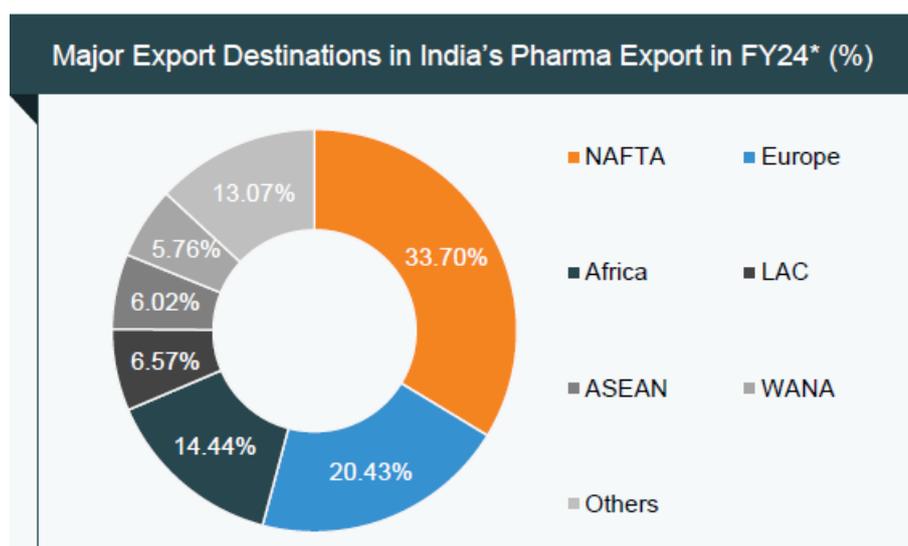
sector (PRIP) are two new initiatives that the Department of Pharmaceuticals and NIPERs jointly launched in 2023 to advance R&D and innovation in the pharmaceutical industry. A plan for the development of human resources in the medical device industry was also authorized.

1.8 Pharmaceutical industry exports



(IBEF march 2024 report)

1.9 Major Export Destinations in India



Worldwide, the Indian pharmaceutical industry is renowned for producing affordable vaccinations and generic medications. Indian Pharma has evolved into a thriving industry over the years, currently ranking third in terms of volume of pharmaceuticals.

Indian pharmaceuticals are exported to over 200 nations worldwide, with the US serving as the primary destination.

India exported US\$ 22.51 billion worth of drugs and pharmaceuticals between April 2023 and January 2024. Drugs and pharmaceutical exports were projected to be US\$ 2.13 billion in January 2024, making up 5.8% of all exports that month.

India accounts for about 20% of the world market for generic medicine exports. By 2030, the government hopes to grow the Indian medical device market from its present US\$ 11 billion valuations to US\$ 50 billion.

Indian pharmaceutical exports saw a strong performance in FY22 and FY23, building on the exceptional performance in FY21. Notwithstanding the delays to international trade and the decline in demand for COVID-related medications, pharmaceutical exports continued to rise in FY22. In partnership with Indian research institutions such as the National Institute of Virology (NIV) and the Indian Council of Medical Research (ICMR), the Indian vaccine industry developed the Covid vaccine using indigenous technology in the shortest amount of time, comparable to highly developed nations like the United States and the European Union. Over 100 countries have received 301 million vaccination shots from India.

1.11 Significant developments in the Indian pharmaceutical industry:

- **Rising Exports:**

India accounts for about 20% of the world market for generic medicine exports.

Pharmaceutical and drug exports were anticipated to be \$2.13 billion in January 2024, representing 5.8% of the month's total exports

- **Product Launch**

The world's first fixed-dose triple combination medication for treating chronic obstructive pulmonary disease (COPD) was introduced by Lupin Ltd. in November 2023. Glenmark Pharmaceuticals unveiled Zita in October 2023, a reasonably priced triple combination medication that improves glycemic control in those with Type 2 diabetes. August 2023 saw the commencement of chemotherapy services in 30 ESIC Hospitals nationwide by Mr. Bhupender Yadav, the Union Minister for Labor & Employment and Environment, Forests, and Climate Change.

As the first business to do so, Emcure Pharmaceuticals Limited (EPL) introduced Orofer FCM 750, a novel parenteral iron brand that includes ferric carboxymaltose (FCM). For most Indian individuals with iron shortage and iron deficiency anemia, the dose is appropriate. The innovative pharmaceutical company Glenmark Pharmaceuticals Ltd. (Glenmark) is the first to introduce Akynzeo I.V., a unique intravenous injection formulation, in India for the prevention of chemotherapy-induced nausea and vomiting (CINV). Glenmark has an exclusive licensing agreement with the Swiss biopharma group company Helsinn.

Entod Pharmaceuticals unveiled their brand-new line of ocular cosmetics, which is intended to increase eye comfort and improve eye beauty. In India, BDR Pharmaceutical introduced the first generic version of apalutamide under the brand name Apatide to treat prostate cancer that is resistant to castration but has metastasized. All of India will be able to purchase the merchandise. With the introduction of the LYBER line, Anglo French Drugs & Industries Limited (AFDIL), a 99-year-old company in the pharmaceutical industry, declared its entry into the reproductive market.

- **Expansion**

Glenmark launched Indacaterol + Mometasone fixed-Dose combination medicine for asthma, becoming the first Indian pharmaceutical business to do so; in October 2022, Lupin reached an agreement to buy two inhalation brands from Sunovion Pharmaceuticals Inc. Dr. Reddy's Laboratories Ltd. and MediCane Health signed an agreement in April 2022 to announce the introduction of medicinal cannabis products in Germany.

- **Partnerships**

On June 4, 2023, an agreement was made for the recognition of Indian Pharmacopoeia (IP) in Suriname between the Ministry of Health, Government of Suriname, and the Indian Pharmacopoeia Commission (IPC), Ministry of Health & Family Welfare, Government of India. The Ministry of Minority Affairs and the Ministry of Ayush collaborated in May 2023 to promote the Unani System of Medicine in India. The Indian pharmaceutical and medical device industries have extended an invitation to Japanese businesses to invest. The worldwide supply chain, particularly for APIs and medical devices, can be stabilized by the collaboration of the Pharmaceutical Traders

Association and the Japan Federation of Medical Devices Associations. The UK's first state-of-the-art neurorehabilitation center with 100 inpatient beds for patients with stroke, traumatic brain injury, and neurological illnesses was announced by Mumbai-based Jupiter Lifeline Hospitals Limited.

1.10 Covid-19 Fightback from the Indian pharmaceuticals sector

COVID-19 fightback from the Indian pharmaceuticals sector

2. R&D RELATED TO COVID-19

- In light of the COVID-19 pandemic, Department of Biotechnology and Biotechnology Industry Research Assistance Council (BIRAC) launched the 'DBT-BIRAC COVID-19 Research Consortium' as part of the comprehensive efforts to facilitate development of indigenous research solutions to tackle COVID-19.
- Mission COVID Suraksha- the Indian COVID-19 vaccine development Mission:** 'Mission COVID Suraksha- The Indian COVID-19 Vaccine Development Mission', was announced as part of the third stimulus package, Aatmanirbhar Bharat 3.0, for promoting research and development of Indian COVID-19 vaccines.

1. COLLABORATIONS

- Under the Ind-CEPI Mission, Financial support is being provided for 'Global Chikungunya Vaccine Clinical Development Program' (GCCDP), a collaboration between Bharat Biotech International Limited (BBIL) and the International Vaccine Institute (IVI) to advance the development of a novel inactivated vaccine candidate for Chikungunya (CHIKV), BBV87.

3. GOVERNMENT INITIATIVES

- The Department of Biotechnology (DBT), initiated the implementation of the Ind-CEPI Mission entitled "Epidemic preparedness through rapid vaccine development: Support of Indian vaccine development aligned with the global initiative of the Coalition for Epidemic Preparedness Innovations (CEPI)".
- The Mission is focused on strengthening infrastructure for development of vaccines for emerging infectious diseases of epidemic potential through academia-industry interface; enabling skill development and capacity building activities.

4. INDIAN PLAYERS GLOBAL EXPOSURE

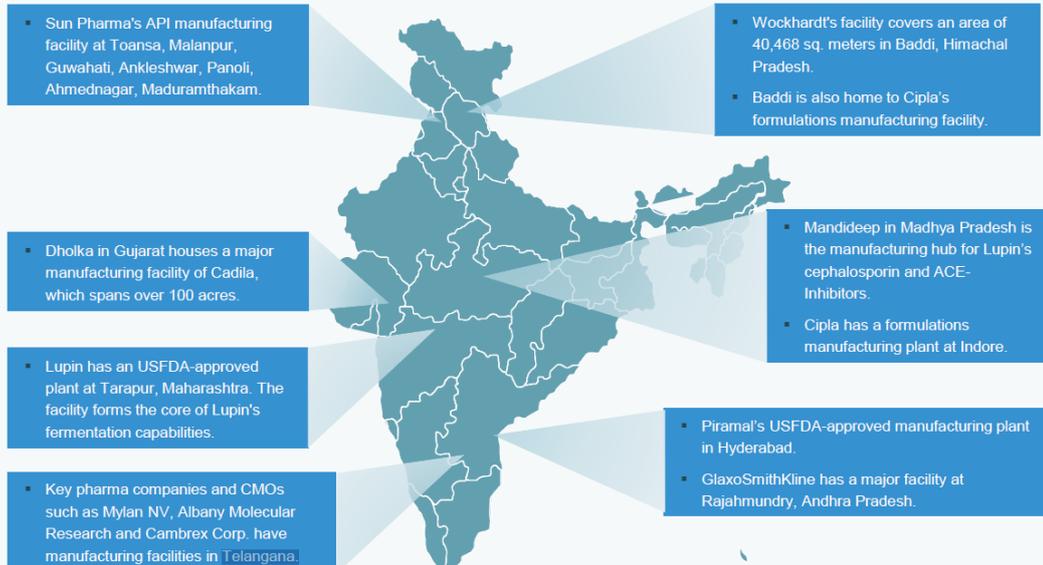
- In February 2021, the Russian Ministry of Health allowed Glenmark Pharmaceuticals to market its novel fixed-dose combination nasal spray in Russia.
- In August 2021, Uniza Group, an Ahmedabad-based pharmaceutical firm, signed an agreement with Lysulin Inc. (an US-based firm) to introduce Lysulin, a nutritional product for Indian consumers.



(IBEF :Pharmaceutical analysis report 2023)

1.11 State Hosting Key Pharmaceutical Ventures

States hosting key pharmaceutical ventures



Source: Company Website

(IBEF :Pharmaceutical analysis report 2023)

1.12 Supply- side drivers of Indian Pharmaceuticals sector

- **Launch of patented drugs**

A number of international corporations are anticipated to introduce patented medications in India after product patents are introduced. The rise in lifestyle-related illnesses in India may increase the demand for these medications. The High Court approved the export of patent medications to international competitors in the Indian market.

- **Medical Infrastructure**

High levels of administrative and technical proficiency, along with a competent labor force, are draws for private players. Pharmaceutical corporations have already boosted their national investment to improve infrastructure and reach rural consumers. Medical Device Park Promotion: The initiative aims to establish top-notch infrastructure facilities to propel the Indian medical device industry to the forefront of the global market.

- **Scope in generics market**

India is the world's largest supplier of generic pharmaceuticals and has the second-highest number of US FDA-approved facilities outside of the US. The Indian pharmaceutical sector produces over 60,000 generic pharmaceuticals in 60 therapeutic categories, making it the world's 14th largest by value and third largest by volume, according to Mr. Bhagwant Khuba, Minister of State (MoS) for Chemicals and Fertilizers. India accounts for about 20% of the world's generic medicine exports.

- **Patent Expiry**

Over the next ten years, it is anticipated that 120 medications would become off patent, with a predicted global income of between US\$ 80 and 250 billion.

- **Over- the counter (OTC) drugs**

In 2022, the Union government suggested amending the pharmaceuticals and Cosmetics Rules to allow the sale of over-the-counter (OTC) pharmaceuticals in India's retail sector without a prescription from a doctor.

The Union Health Ministry has recommended in a draft notification that the 16 medications, which include over-the-counter (OTC) antifungal treatments, some laxatives, nasal decongestants, and popular antipyretic medications like 500 mg of paracetamol, be classified as OTC pharmaceuticals.

1.13 Demand Drivers of Indian Pharmaceuticals sector

- **Accessibility**

In the next ten years, more than \$200 billion will be spent on medical infrastructure, according to a McKinsey estimate from July 2019. Tier-2 and tier-3 cities are anticipated to see a rise in new company models. Over 160,000 new hospital beds are anticipated to be built annually within the next ten years. India is the world's largest supplier of generic pharmaceuticals, with 20% of total volume coming from its generic drug exports.

- **Acceptability**

Increasing educational attainment will make medications more palatable. A higher inclination among patients to self-medicate, which will stimulate the OTC industry. A surge in the acceptance of biologics and preventative medications. An increase in medical tourism as a result of a rise in foreign patient intake.

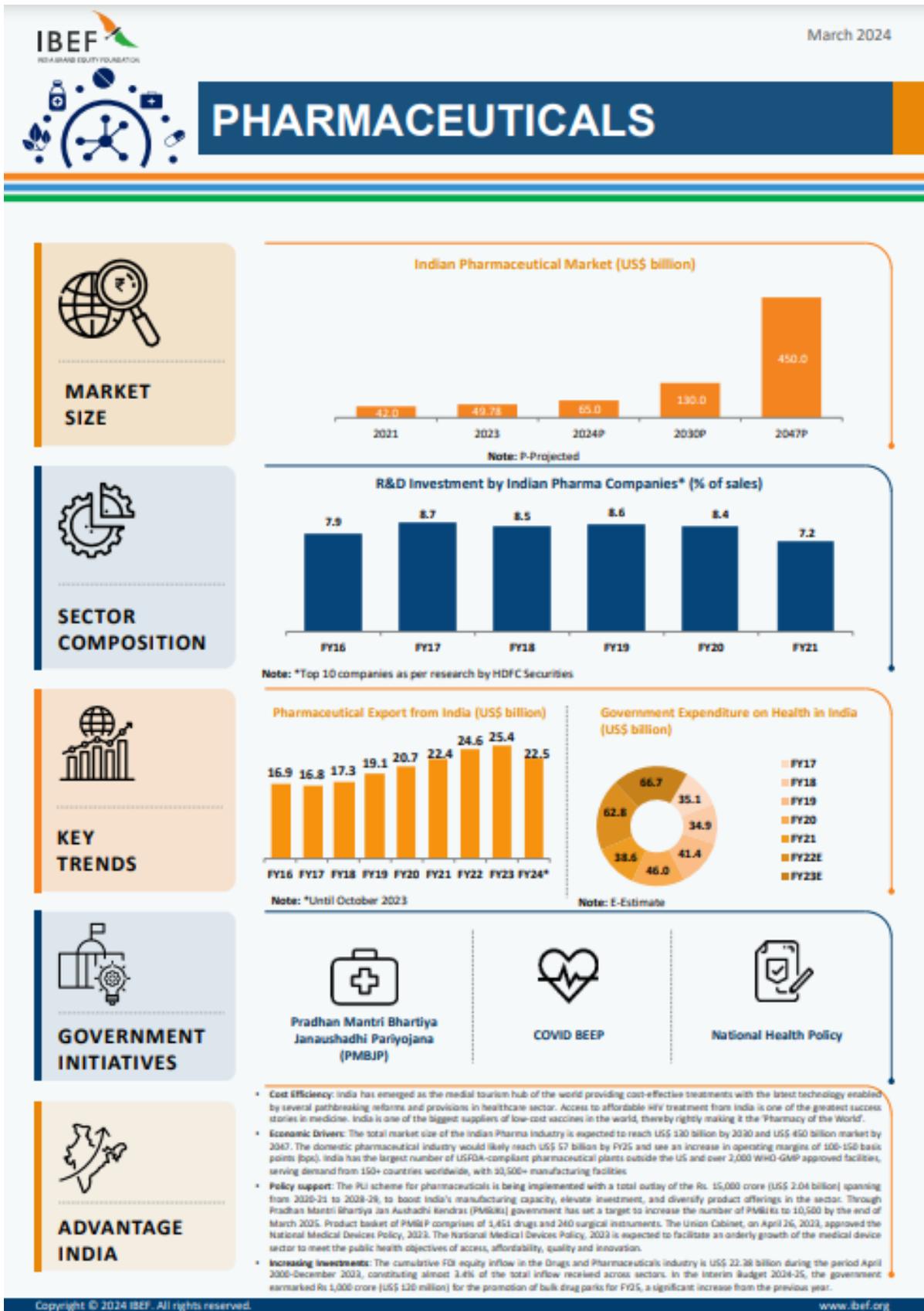
- **Pradhan Mantri Bhartiya Janaushadhi Kendras**

There will be 10,607 Jan Aushadhi Kendras nationwide as of January 2024. In his Independence Day speech in 2023, Prime Minister Mr. Narendra Modi announced that the government intends to expand the number of "Jan Aushadhi Kendras" from 10,000 to 25,000. By 2020, it was projected that over 650 million individuals would have health insurance. At an estimated cost of US\$ 5.4 billion, the government intends to give half of the population free generic medications.

- **Epidemiological Factors**

Up to 2030, the patient pool is anticipated to grow by more than 20%, mostly as a result of population growth. Rising demand due to new illnesses and changes in lifestyle. An increase in lifestyle-related illnesses.

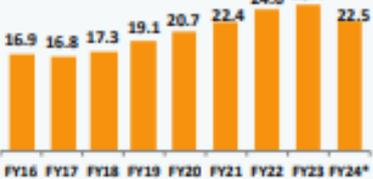
1.12 Indian Pharmaceutical Market





KEY TRENDS

Pharmaceutical Export from India (US\$ billion)



Note: *Until October 2023

Government Expenditure on Health in India (US\$ billion)



Note: E-Estimate



GOVERNMENT INITIATIVES



Pradhan Mantri Bhartiya
Janaushadhi Pariyojana
(PMBJP)



COVID BEEP



National Health Policy



ADVANTAGE INDIA

- **Cost Efficiency:** India has emerged as the medical tourism hub of the world providing cost-effective treatments with the latest technology enabled by several pathbreaking reforms and provisions in healthcare sector. Access to affordable HIV treatment from India is one of the greatest success stories in medicine. India is one of the biggest suppliers of low-cost vaccines in the world, thereby rightly making it the 'Pharmacy of the World'.
- **Economic Drivers:** The total market size of the Indian Pharma industry is expected to reach US\$ 130 billion by 2030 and US\$ 450 billion market by 2047. The domestic pharmaceutical industry would likely reach US\$ 57 billion by FY25 and see an increase in operating margins of 100-150 basis points (bps). India has the largest number of USFDA-compliant pharmaceutical plants outside the US and over 2,000 WHO-GMP approved facilities, serving demand from 150+ countries worldwide, with 10,500+ manufacturing facilities.
- **Policy support:** The PLI scheme for pharmaceuticals is being implemented with a total outlay of the Rs. 15,000 crore (US\$ 2.04 billion) spanning from 2020-21 to 2028-29, to boost India's manufacturing capacity, elevate investment, and diversify product offerings in the sector. Through Pradhan Mantri Bhartiya Jan Aushadhi Kendras (PMBJKs) government has set a target to increase the number of PMBJKs to 10,500 by the end of March 2025. Product basket of PMBJK comprises of 1,451 drugs and 240 surgical instruments. The Union Cabinet, on April 16, 2023, approved the National Medical Devices Policy, 2023. The National Medical Devices Policy, 2023 is expected to facilitate an orderly growth of the medical device sector to meet the public health objectives of access, affordability, quality and innovation.
- **Increasing Investments:** The cumulative FDI equity inflow in the Drugs and Pharmaceuticals industry is US\$ 22.28 billion during the period April 2000-December 2023, constituting almost 3.4% of the total inflow received across sectors. In the Interim Budget 2024-25, the government earmarked Rs 1,000 crore (US\$ 120 million) for the promotion of bulk drug parks for FY25, a significant increase from the previous year.

Copyright © 2024 IBEF. All rights reserved.

www.ibef.org

1.14 Government Initiatives:

Here are many measures implemented by the government to bolster the Indian pharmaceutical sector:

During the interim Budget for the fiscal year 2024-25: In FY25, the government allotted Rs. 1,000 crore (US\$ 120 million) for the advancement of bulk drug parks, representing a significant rise compared to FY24. The allocation for the development of medical device parks was raised to Rs. 150 crore (US\$ 18 million) for FY25, while the total investment for the expansion of the pharmaceutical sector was increased to Rs. 1,300 crore (US\$ 156.5 million). A sum of Rs. 40 crore (equivalent to US\$ 4.1 million) was allocated in FY25 to provide assistance to the medical device clusters for common facilities (AMD-CF). The financing for the Jan Aushadhi initiative, which seeks to provide affordable generic drugs to the country, has been raised from Rs. 110 crore (US\$ 13) to Rs. 284.5 crore (US\$ 34 million) for the fiscal year 2025.

As per the 2023–24 Union Budget:

An endeavor will be made to eliminate sickle cell anemia by the year 2047. Participating in awareness campaigns, conducting a comprehensive examination of seventy million individuals in the tribal regions impacted, aged between 0 and 40, and providing counseling services through coordinated endeavors are all integral components of this initiative.

An innovative initiative will be implemented to promote research and development in the pharmaceutical industry by establishing centers of excellence. The government persuades businesses to allocate funds towards research and development (R&D) in a limited number of crucial sectors. The government has formulated strategies to establish 157 nursing institutes in close proximity to government medical colleges at the local level.

The Union Cabinet granted approval to the National Medical Devices Policy, 2023 on April 26, 2023. The National Medical Devices Policy, 2023, is expected to facilitate the systematic growth of the medical device sector, aiming to accomplish public health objectives such as innovation, quality, affordability, and accessibility.

The Ayushman Bharat Digital Mission (ABDM) aims to facilitate the integration of people' digital health records with their ABHA (Ayushman Bharat Health Account) numbers. This would improve the process of making clinical decisions by healthcare professionals and enable the creation of comprehensive health records for individuals across various healthcare providers.

The NHA has successfully shown its technological platform through the completion of the ABDM pilot in six Union Territories: Ladakh, Chandigarh, Dadra & Nagar Haveli and Daman & Diu, Puducherry, Andaman and Nicobar Islands, and Lakshadweep. As part of the pilot program, a digital sandbox was created, and now, more than 774 partner goods are being included into it. As of September 4, 2023, a total of 224,967 doctors and 218,602 healthcare institutions have officially enrolled with ABDM. Additionally, there have been 450,164,619 Ayushman Bharat Health Accounts established.

- Pharmaceutical Industry Development Umbrella Scheme:

The "Scheme for Development of Pharma industry" is a comprehensive program devised by the Department of Pharmaceuticals. It consists of the following successive subschemas: Assisting the Bulk Drug Sector through the establishment of Common Facilitation Centers Assistance provided to the medical device industry for the establishment of centralized facilitation centers.

- Pharmaceutical Sector Support (CDP-PS)

The Pharmaceutical Development and Promotion Scheme (PPDS) is an assistance program aimed at promoting the development and upgrading of pharmaceutical technology. It specifically focuses on the Pharmaceutical Technology Upgradation Assistance Program (PTUAS). India is expected to resume distributing COVID-19 immunizations to the international vaccine-sharing platform COVAX in November or December 2021, marking the first time since April 2021. The World Health Organization (WHO), in collaboration with COVAX, has exerted pressure on India to resume its supply to the program. This pressure has intensified, particularly in light of India's previous provision of around 4 million doses to its allies and neighbouring countries in October 2021.

PM In November 2021, Mr. Narendra Modi inaugurated the inaugural Global Innovation Summit of the pharmaceutical business. The summit will feature more than

40 speakers from both national and international backgrounds who will cover a wide range of subjects, including innovation infrastructure, collaboration between business and academics, funding for innovation, and regulatory frameworks. The summit will have a total of 12 sessions.

In August 2021, the Union Health Minister, Mr. Mansukh Mandaviya, said that additional Indian pharmaceutical companies are expected to commence the production of anti-coronavirus vaccines by October or November of the same year. This measure is expected to enhance the effectiveness of the nationwide immunization effort.

In June 2021, Finance Minister Ms. Nirmala Sitharaman declared an extra expenditure of Rs. 1,97,000 crore (US\$ 26,578.3 million) to be allocated to the pharmaceutical PLI plan across 13 significant industries over a span of five years. The Department of Pharmaceuticals initiated a PLI project to encourage domestic production by establishing new manufacturing facilities with a minimum amount of domestic value addition in four specific "Target Segments." The initiative has a total budget of Rs. 6,940 crore (US\$ 951.27 million) from FY21 to FY30. The objective of this effort is to attain self-sufficiency and reduce reliance on imported vital bulk medications within the country.

In May 2021, the Indian government launched Mission COVID Suraksha as a component of Atmanirbhar Bharat 3.0, aiming to accelerate the process of developing and producing COVID vaccines within the country. The Government of India's Department of Biotechnology provided financial assistance in the form of a grant to vaccine manufacturing facilities. This support aimed to increase production capabilities and boost the ability to produce Covaxin domestically under the mission. It is expected that these capabilities will exceed 10 crore doses per month by September 2021.

1.15 Introduction of Gujarat Pharmaceutical Industry

Gujarat's pharmaceutical and healthcare industries have advanced significantly, and with investments in facilities, infrastructure, R&D, technology, mergers and acquisitions, and skilled labor, they may be able to increase their market share both domestically and internationally.

In recent years, Gujarat has drawn significant investments from industry and provided the infrastructure required for the development of industrial expansion. With more clearances from highly regulated authorities, the pharmaceutical and healthcare sector was able to take market share both domestically and internationally. Gujarat-based pharmaceutical majors have continued to gain traction in spite of fierce rivalry from foreign competitors and difficulties in the US.

The pharmaceutical industry has encountered a number of difficulties in recent years, including growing costs, pressure to maintain prices in profitable regions, competition from biosimilars and generics, and continuous regulatory changes. Product patent expiration increased competitiveness even more.

Through continuous innovation and drug research investments, the industry has been able to provide patients with innovative and efficacious treatment options. Over the past ten years, Indian enterprises have gained more regulatory authority and introduced a number of innovative items to global markets. The increasing use of pharmaceuticals in markets such as China, India, Brazil, Russia, and South Africa presents fresh prospects for expansion for Indian pharmaceutical enterprises.

The financial performance is growing

The top six pharmaceutical businesses, whose revenues above Rs. 1,000 crore in the fiscal year that concluded in March 2023, demonstrated improved financial performance in the first nine months of 2023 and showed their investors some love by issuing an interim dividend. These companies' market capitalization increased dramatically as well. The essential boost to the share prices of these companies has come from their financial performance in the first nine months that concluded in December 2023. As of March 28, 2024, the final trading day of FY 2023–24, the market

capitalization was Rs. 6,02,429 crore, compared to the entire equity capital of Rs. 594 crore.

In comparison to its yearly low of 58273.86 points on March 31, 2023, the BSE Sensex of 30 main scrips reached its peak level at 74,245 points on March 7, 2024. In a similar vein, the BSE Healthcare index ended the year 2023 at 31,549 points, but on March 28, 2024, it closed at 35,052.84 points. As a result, during the past year, investors have demonstrated more faith in the pharmaceutical and healthcare sectors. On March 28, 2024, the market capitalization of Zydus Lifesciences, Torrent Pharma, and Alembic Pharma climbed to Rs. 1,01,151 crore, Rs. 88,030 crore, and Rs. 19,309 crore, respectively, while that of Sun Pharma reached Rs. 3,88,803 crore.

On the final trading day of March 2024, the Sun Pharma scrip with a face value of Re 1 each reached its annual maximum level of Rs. 1,634.05, compared to its annual lowest level of Rs. 922.55 in May 2023. On March 28, 2024, the Zydus share hit its greatest level at Rs. 1030.15, while the Torrent Pharma share recorded an annual high of Rs. 2,745.55. In addition, throughout February and March of 2024, additional Gujarat-based businesses like Denic Chem, Lincoln Pharma, Sun Pharma Advance Research Co (SPARC), and Lyka Labs also advanced.

Gujarat has developed a robust network of small businesses in addition to large listed firms, enabling them to readily meet their raw material needs as well as other fundamental infrastructure needs like roads, energy, water, and technology. Industrialists' confidence was further bolstered by the favorable industrial policy. The government and lenders also provided the industrial units with the required financial support. The pharmaceutical companies in Gujarat managed to overcome the negative effects of the Covid epidemic and achieved success both in the local and global markets.

1.16 Overview of Gujarat's Pharma Industry

(KPMG, 2018) One of the oldest pharmaceutical firms in India, Alembic Chemical Works Co. Ltd., was founded in Vadodara in 1907, barely six years after Bengal Chemical and Pharmaceutical Works, the country's first domestic pharmaceutical unit, was established in Calcutta. Rabhai Chemicals was founded shortly after.

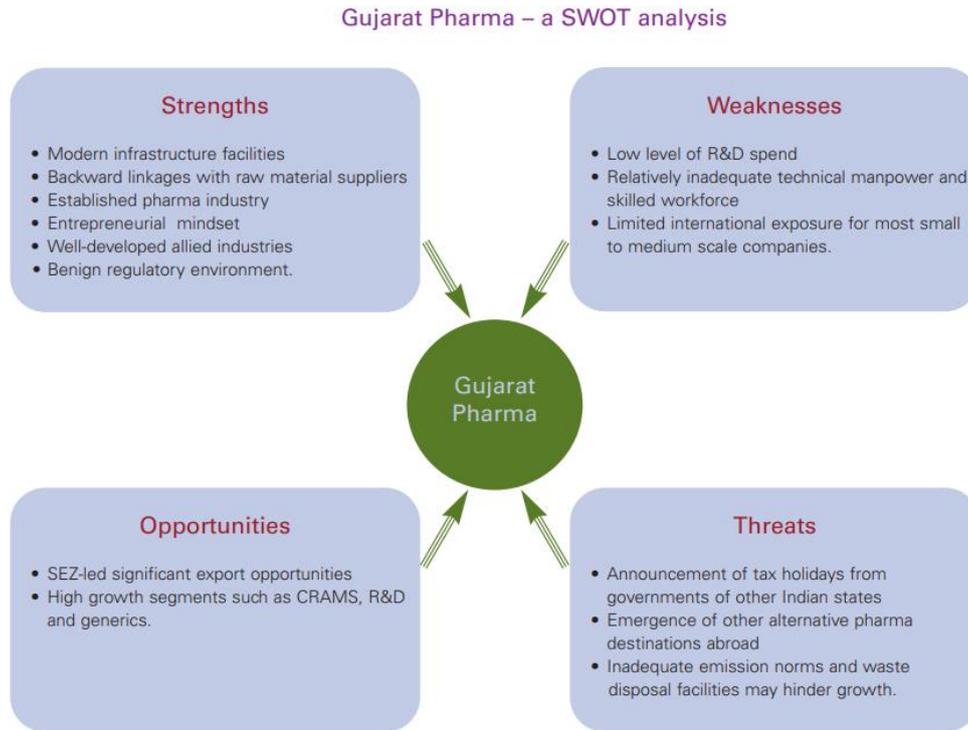
The academic community provided strong support for the industry. In 1940, the Drugs Laboratory in Vadodara was established, and then the LM College of Pharmacy. In 1989, the Gujarat branch of the Indian Pharmaceutical Association (IPA) and the B.V. Patel Education Trust established the B.V. Patel Pharmaceutical Education and Research Development (PERD) Centre in Ahmedabad.

The employment nearly doubled between 1979–1980 and 1997–1998. Over the years, the industry has created strong links with allied sectors and industries such as chemicals, pharmaceuticals, machinery, information technology, etc. The invested capital to labor ratio has increased dramatically in the previous two decades.

Gujarat is home to a number of well-known firms with operations in the major pharmaceutical markets of the globe, including Torrent Pharmaceuticals, Zydus Cadila, Alembic, Sun Pharma, Claritis, Intas Pharmaceuticals, and Dishman Pharmaceuticals. Currently, there are about 3,500 drug production units in the state.

Gujarat has made a substantial contribution to the expansion of India's pharmaceutical industry during the past several years. The state has a 42 percent pharmaceutical turnover share and a 22 percent portion of exports in India. The pharmaceutical industry in Gujarat employs over 52,000 people and has seen a 54 percent annual growth rate in capital investments over the previous three years.

1.13 Gujarat Pharma Industry SWOT Analysis



Source: KPMG Analysis

(KPMG report 2023)

1.17 facts and figures of Gujarat pharmaceutical Industry.

- Gujarat holds a third of the pharmaceutical market in India.
- 130 units with FDA approval.
- 628 WHO GMP production facilities.
- more than 4.5 lakh product licenses were granted.

In 2018–19, the pharmaceutical business reported a \$7.6 billion yearly turnover. Pharma businesses have submitted registration requests for 180 new facilities to be established in Gujarat in 2018. The Gujarati government allotted \$1.1 billion to the Health and Family Welfare department in the 2020–21 budget.

Medical equipment: Gujarat registered 170 medical device units under the Central Licensing Approval Authority (CLAA) program prior to the Medical Device Rules. An upcoming medical gadget park in Gujarat's Rajkot will boost output and lessen reliance on imports from outside. A geographic cluster of surgical and medical device

production, research, and R&D testing laboratories would make up the planned medical device park. Utilizing shared amenities in a park lowers manufacturing costs, and local businesses gain worldwide price competitiveness.

1.18 Government of Gujarat Initiatives

The 60-day period was changed for the issuance of manufacturing permits. FDCA has created a single-window platform for the issuing of manufacturing and product licenses. 50% of the fees or expenses paid to get different approvals for quality control Mantri Deendayal Pradhan Kendra Jan Aushadhi – 52 generic drugstores have opened, and there will be at least 500 more. Gujarat State Biotechnology Policy's program of support for the biotechnology (BT) sector (2016–21) promoting generic medications by favoring them in government procurement assistance in acquiring certifications, including WHO GMP, ERP, and ISO certifications

1.19 Pharma Clusters of Gujarat

Cluster:

A geographically close-knit collection of businesses and related organizations in a given industry that are connected by complementary and shared characteristics is called a cluster.

Benefits

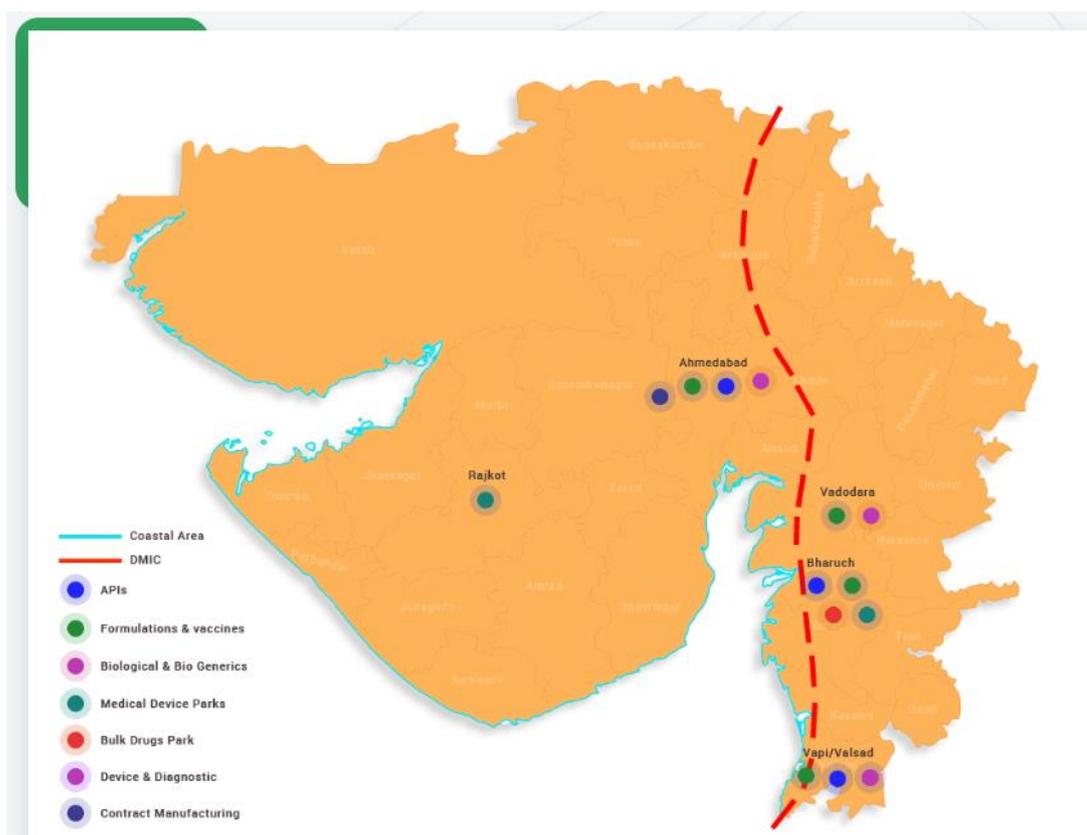
Top-notch infrastructure for the production of pharmaceuticals and medical devices

Encourage Exports

Quicken the new technologies' commercialization

A favorable business climate that makes it possible for surgical startups to work with industries

1.14 Pharma clusters of Gujarat



(KPMG report :2022)

Characteristic of pharma clusters in Gujarat					
Location	Existing products	Export Potential	Market- based / Resource-based / Infrastructure-based	Degree of Competition with large units	Potential Future Products
Ahmedabad	API, Finished Dosages, Contract Manufacturing Biological Manufacturing	High	Market and Infrastructure	High	Biological manufacturing, Medical Devices
Vadodara	Finished Dosages, Biogenerics	High	Market and Infrastructure	High	API, CRAMS, Biological Manufacturing
Ankleshwar	APIs, Formulations, Vaccines	Medium	Resource	Medium	APIs for global companies
Bharuch and Vapi /Valsad	APIs, Finished Dosages	Medium	Resource	Medium	Intermediate and Finished Dosages

Source: www.clusterpulse.org, KPMG Analysis

Gujarat's pharmaceutical industry is already doing well, which adds to the allure of the development potential for enterprises. Gujarat occupies only about 6% of India's total land area, yet produces one-third of the country's pharmaceutical output. Furthermore, nearly all medical equipment, half of India's intraocular lenses (IOL), and 35% of the

country's diagnostic kits are made in the state, according to FDCA data. Gujarat is also pleased with its history of being the first nation to produce contraceptive pills globally and with the fact that it currently provides 40% of the world's CRAMS (Contract Research and Manufacturing Services).

1.15 Key Industry Contacts

Key industry contacts		IBEF INDIA BRAND EQUITY FOUNDATION www.ibef.org
Agency	Contact Information	
	The Indian Pharmaceutical Association	Kalina, Santacruz (E), Mumbai - 400 098 Phone: 91-22-2667 1072 Fax: 91 22 2667 0744 E-mail: ipacentre@ipapharma.org Website: www.ipapharma.org
	Organisation of Pharmaceutical Producers of India	Organisation of Pharmaceutical Producers of India 1620, C – Wing, ONE BKC G Block, Plot No. C-66 Bandra Kurla Complex, Bandra East Mumbai- 400051 Phone: +91 22 66627007 / 6662 7008 E-mail: admin@indiaoppi.com Website: www.indiaoppi.com
	Indian Drug Manufacturers' Association	102, Poonam Chambers, 'A' wing, 1 st floor, Dr A.B. Road Worli, Mumbai - 400 018 Phone: 91-22-24974308 / 66626901 / 49729227 E-mail: sapna@idmaindia.com melvin@idmaindia.com Website: www.idma-assn.org
	Bulk Drug Manufacturers Association	C-25, Industrial Estate, Sanath Nagar Hyderabad - 500018 Phone: 91 40 2370 4804 / 2370 6718 E-mail: info@bdmai.org , bdma.hyd@gmail.com Website: www.bdmai.org

1.20 Introduction of Emotional Intelligence and Sales Performance

1.20.1 Introduction of emotional intelligence:

Remember that our small emotions are the powerful captains of our lives, and we blindly follow them. Van Gogh, Vincent, 1889.

Emotional intelligence defined as a “The capability of a person to manage and control his or her emotions and possess the ability to control the emotions of others as well. In other words, they can influence the emotions of other people also.”

1.20.2 Evaluation of Emotional Intelligence:

The phrase "Social Intelligence" was originally used by Edward Thorndike in a 1920 article titled "Intelligence and its uses" in Harper's monthly magazine. For someone who hated his first psychology course, to be acknowledged as the father of modern educational psychology, must have been an amazing journey. He developed a greater interest in psychology after reading William James' seminal book *The Principles of Psychology*. Professor of educational psychology at Columbia University Thorndike defines it as "the ability to understand and control men and women, boys and girls—to act sensibly in human connections".

Researchers David Wechsler suggested that theories of intelligence wouldn't be complete until all of those components were fully known when different aspects began to have an impact on intelligent behavior in the 1940s. "The aggregate or global capacity of the individual to act purposefully, to think rationally, and to interact successfully with his environment," was his definition of intelligence. He presented a compelling argument for the significance of "non-intellectual" elements in predicting an individual's chances of success in life, such as emotional, social, and personal aspects.

Although these investigators were preparing the groundwork for the term's emergence, Michael Beldoch, a clinical psychology professor in psychiatry at Cornell University, is recognized for coining the term in his 1964 study, "Sensitivity to Expression of Emotional Meaning in Three Modes of Communication." The psychotherapeutic journal *Practice of Child Psychology & Child Psychiatry* published a research by

German psychiatrist Hanscarl Leuner titled "Emotional intelligence and emancipation" in 1966.

Howard Gardner represents the subsequent pivotal moment in the evolution of "Emotional Intelligence." Gardner's 1975 book *The Shattered Mind* presented the concept of multiple intelligences, but it wasn't until his 1983 book *Frames of Mind* that the theory was fully developed. Out of the seven "personal intelligences," Gardner discussed two, and it turns out that the scope of these "personal intelligences" is quite comparable to that of "Emotional & Social intelligence." The ability to identify and discern other people's feelings, temperaments, intentions, and motives is known as interpersonal intelligence. Being able to access and utilize one's own emotions is known as intrapersonal intelligence.

After that, the term "emotional intelligence" (EI) first appeared in an unpublished doctoral dissertation by American researcher Wayne Payne in 1985. The dissertation was titled "A study of emotion: developing emotional intelligence - self-integration; relating to fear, pain, and desire (theory, structure of reality, problem-solving, contraction/expansion, tuning in/coming out/letting go)". Moreover, the abbreviation "EQ" (Emotional Quotient) was created in 1987 by Keith Beasley in a feature for *Mensa Magazine*, marking a significant advancement (although Reuven Bar-On asserts that he used the phrase in an unpublished graduation thesis).

In 1990, however, "emotional intelligence" underwent a sea change when Yale professor Peter Salovey and University of New Hampshire professor John Mayer published "Emotional Intelligence," a groundbreaking essay, in the magazine "Imagination, Cognition, and Personality." As they focused on a collection of skills rather than qualities, it was the first noteworthy scholarly study of the term. Mayer and Salovey's concept addressed four aspects of emotional intelligence: perceiving, identifying, evaluating, and expressing emotions; using emotions to enhance thought; knowing and comprehending emotions; and reflecting regulation and control of emotions.

Then, knowing of Mayer and Salovey's work, psychologist and science writer for the New York Times Daniel Goleman obtained permission to use their model and the term "emotional intelligence" for a book in the 1990s. This turned out to be a turning point in the development of emotional intelligence. Goleman had previously written two books and contributed a psychology column to the New York Times on a regular basis.

On the other hand, emotional intelligence didn't really gain traction among laypeople and the management community until 1995, when the book "Emotional Intelligence: Why It Can Matter More Than IQ" was released. It helped popularize the concept and went on to become a timeless bestseller. The four components of his emotional intelligence theory are relationship management, social awareness, self-awareness, and self-management.

Subsequently, Daniel Goleman published his second key work, "Social Intelligence: The New Science of Human Relationships," in 2006, which marked yet another important development in the history of emotional intelligence. He suggested that social intelligence—which he sometimes referred to as "social facility"—is about social awareness and relationship management, whereas emotional intelligence is about self-awareness and self-control. He separated the four elements of his previous emotional intelligence model into two groups.

The result was the formal definition of Emotional and Social Intelligence, which is the parent concept and skill set. Its two constituent concepts and terminology traveled through the history of psychology and management before coming to an agreement.

1.20.3 Models of emotional Intelligence:

According to (Sfetcu, 2020) different models of emotional intelligence are summarized

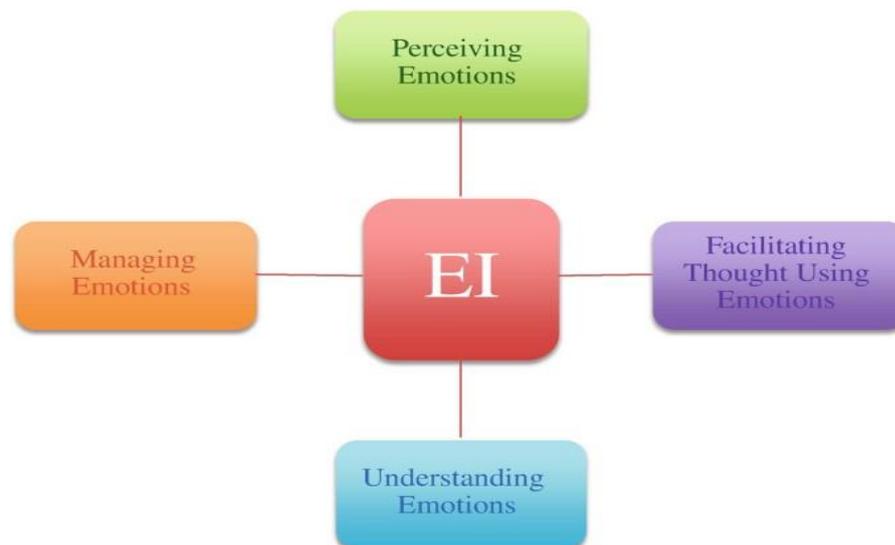
Mayer and Salovey Ability Model:

According to John D. Mayer and Peter Salovey, emotional intelligence (EI) is the "ability to reason about emotions, and of emotions, to increase thinking." To assist both emotional and intellectual development, it encompasses the skills necessary to identify emotions accurately, access and produce emotions to support thought, comprehend emotions and emotional knowledge, and control emotions introspectively. Salovey, Mayer, and Caruso (2004).

Social networking is supported by information sources such as emotions. The model contains four categories of models:

1. **Perception of emotions**
2. **Use of emotions**
3. **Understanding emotions**
4. **Emotional management**

1.16 Ability model: Ability Models: Mayer and Salovey Four-Branch Model of EI



(Source: The Mayer and Salovey(1997) four- branch model of emotional intelligence(EI abilities)

Mayer and Salovey's methodology use unique activities to assess each ability (Brackett and Mayer 2003). The Mayer-Salovey-Caruso Emotional Intelligence Test is based on

ability-based IQ exams (MSCEIT). The ability framework claims that emotional intelligence meets some of the criteria for a new intelligence, such as operationalization as a set of abilities, objectivity in response, correlation with other intelligences, distinctive variation, and age-related score increases. 2003: Mayer and others (2004). The MSCEIT is a consensus metric for comparing responses to a sample of respondents. Responses were only judged emotionally "clever" if the vast majority of the sample provided the same answers.

The ability model's additional metrics include:

- An Examination of nonverbal accuracy for diagnosis
- Rapid recognition test for Caucasian and Japanese people
- Scale of level of emotional Intelligence

Numerous research have cast doubt on the validity of these exams. Unlike self-reported EI scores, which are dependent on how people perceive themselves, the ability model is unambiguous and does not make predictions about the workplace.

Goleman’s mixed model:

Emotional intelligence is "the ability to recognise our own feelings and those of others, to motivate ourselves, and to manage emotions well in ourselves and in our relationships," according to Daniel Goleman. (1998, Goleman).

The twenty-five competencies required for effective leadership, including the five main EI components, are the subject of Daniel Goleman's first model.

- Self – awareness
- Self -regulation
- Social ability
- Empathy
- Motivation

In their 2002 study of Richard Boyatzis, Goleman, Boyatzis, and McKee reduced the number of skills to twenty and the geographic areas to four: (2000) Boyatzis, Rhee, and Goleman

1.17 Goleman’s Mixed model

	SELF Personal Competence	OTHER Social Competence
Recognition	<u>Self-Awareness</u> Emotional Self-Awareness Accurate Self-Assessment Self-Confidence	<u>Social Awareness</u> Empathy Service Orientation Organizational Awareness
Regulation	<u>Self-Management</u> Self-Control Trustworthiness Conscientiousness Adaptability Achievement Drive Initiative	<u>Relationship Management</u> Developing Others Influence Communication Conflict Management Leadership Change Catalyst Building Bonds Teamwork and Collaboration

(Source: Daniel Goleman model of Emotional Intelligence)

On these criteria, Goleman's model can be evaluated:

1. The Emotional Competency Inventory (ECI) created in 1999, revised as the Emotional and Competency Inventory (ESCI) in 2007.
2. Emotional Intelligence Appraisal developed in 2001 as a self-report.

This notion has been referred to as "popular psychology."

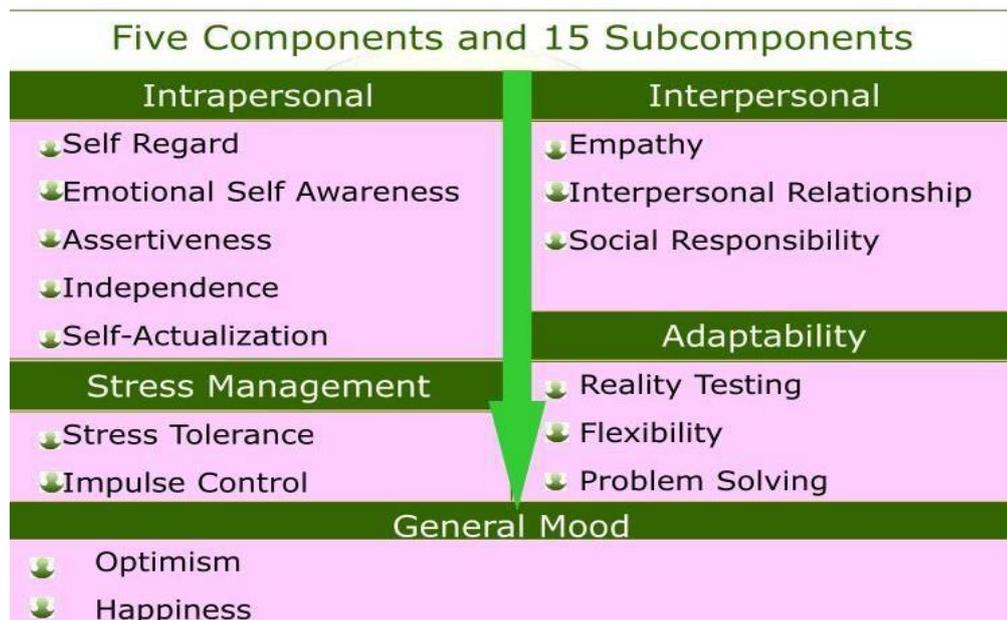
The Mixed Model of Bar-On

Reuven Bar-On asserts that training, programming, and therapy can all improve emotional intelligence. "A cross-section of interrelated emotional and social competencies, skills, and facilitators that determine how well we understand and express ourselves, understand others and relate to them, and cope with daily demands, challenges, and pressures," is how Bar-On (2004) defines emotional-social intelligence."

The Bar-paradigm of emotional intelligence emphasises process over product and speaks of performance potential rather than actual performance. (Bar-On 2004) EI highlights.

- A group of emotional and social skills
- The ability to cope and adapt
- this mixed model includes five components of emotional intelligence

1.18 Mixed model of Bar on



Bar-On has created various iterations of the Emotion Quotient Inventory based on the groups and circumstances. (Bar-On 2004) However, compared to the Mayer-Salovey-Caruso Emotional Intelligence Test and the Emotion Quotient Inventory, the Self Report Emotional Intelligence Test and another self-report test of emotional intelligence show stronger relationships. different authors (Schutte, 1998)

Petrides model of traits:

Described as "a constellation of emotional self-perceptions located at the lower levels of personality," Konstantinos V. Petrides created this paradigm. (2000) Petridis and Furnham The trait model is also known as trait emotional self-efficacy, relates to an individual's judgments about his or her emotional skills. It is a concept that is not categorised under human cognitive ability. For self-report purposes, the EQ-i can take the role of the Swinburne University Emotional Intelligence Test (SUEIT), the EI Schutte model, and other somewhat limited measures of emotional intelligence. The first emotional intelligence self-report exam, EQ-i 2.0, formerly BarOn EQ-i, has the best scoring criteria, reliability, and validity of all self-report tests. By including elements of the Big Five personality traits, the TEIQue assessment instrument operationalizes the Konstantinos V. Petrides model.

Other models and measurements:

- The emotional awareness scale (LEAS) levels (Lane and Schwartz 1987)
- SREIT, the Self-Reporting Emotional Intelligence Test (Petrides and Furnham 2000)

The many EI models have common theoretical and statistical characteristics. Each model is based on core intelligence traits and aims to enhance the understanding and development of emotional intelligence (such as awareness or perception of emotions and management of emotions as key elements). The Mayer-Salovey-Caruso and Bar-On models have numerous similarities, according to Brackett and Mayer (Brackett and Mayer 2003)

1.20.4 Scale of Emotional Intelligence

According to (O'Connor & Andrew Hill, 28 May 2019) we can summarize following emotional intelligence scale.

- Mayer-Salovey-Caruso Emotional Intelligence Tests (MSCEIT) (Mayer et al., 2002a,b).
- Self-report Emotional Intelligence Test (SREIT) (Schutte et al., 1998)
- Trait Emotional Intelligence Questionnaire (TEIQue) (Petrides and Furnham, 2001)
- Bar-On Emotional Quotient Inventory (EQ-i) (Bar-On, 1997a,b)
- The Situational Test of Emotional Management (STEM) (MacCann and Roberts, 2008)
- The Situational Test of Emotional Understanding (STEU) (MacCann and Roberts, 2008)
- Emotional and Social competence Inventory (ESCI) (Boyatzis and Goleman, 2007)

1.21.1 Definition of Sales Performance:

The effectiveness of your sales staff over a given time period is referred to as sales performance. One of the most popular methods for monitoring and managing the activity of sales reps from the start to the end is to implement sales performance management. Your sales team's performance is measured by its sales performance. It relates to how well your sales staff performs over a predetermined time period, such as monthly and quarterly.

Depending on your industry and business objectives, there are many different ways to measure sales performance. However, typical measurements frequently take into account sales income, client acquisition, and retention rate (more on this later). You can monitor your sales reps' productivity and ensure they constantly meet sales targets by tracking and measuring sales performance.

1.21.2 Sales Performance Management

- A systematic method of managing sales representatives in an organisation is called sales performance management (SPM). It may involve a series of actions that result in:
 - Articulating and communicating goals, targets, and strategies for sales.
 - establishing roles and sales procedures that are compatible with the way a business plans to provide value to its clients.
 - establishing roles and sales procedures that are in line with the company's goals for client value delivery.
 - establishing quantifiable, clear, actionable, and connected with business needs standards for sales performance.
 - motivating and rewarding salespeople for exceptional achievement.
- Sales performance management is often used by sales, human resources, and finance departments. However, it can be implemented across your organization if that helps you maximize sales performance.
- The departments of sales, human resources, and finance frequently employ sales performance management. It can be applied to your entire firm, though, if doing so will assist you increase sales performance.
- Sales representatives may clearly see what needs to be done, the sales procedures

they must adhere to, and how their performance may affect their overall compensation thanks to sales performance management.

- Sales performance management is a helpful tool for sales managers to create effective sales plans, establish reasonable expectations for their salespeople, and execute accurate sales analytics.

1.21.3 Different measurement ways of Sales Performance

When there are no standards by which to measure your efficacy and efficiency in sales, judgments are based more on feelings than on data. When evaluating the skills of sales representatives, this causes ambiguity and bias. You should develop a data-driven sales performance assessment with precise measuring criteria to prevent such a predicament. You may accurately assess how your sales people performed over time and create well-informed opinions about their performance by doing that.

Sales Performance Metrics:

For an SPM process to be successful, sale performance indicators are essential. The measures you need to use to gauge your sales performance should be decided upon up front.

Three common forms of sales performance measures are as follow:

- **Performance metrics:** Consider conversion rates, sales revenue, the volume of completed transactions, the quantity of fresh leads, and customer acquisition rates. These aspects of sales measurements are conventional.
- **Operational metrics:**

Consider variables such as the length of the sales cycle, meeting attendance rates, lead cost per lead, and other sales productivity indicators.

- **Professional development criteria:** Consider how effectively your sales professional applies what they learn in training sessions, how receptive they are to chances in their immediate environment, etc.

1.22.1 Impact of Emotional Intelligence on Sales Performance.

Report given by (Stanley, 2022) suggested that emotional intelligence can improve leadership abilities, job performance, and mental wellness. Sales executives must possess EQ because it is crucial to sales talks. The significance of emotional intelligence in sales and sales leadership is highlighted by the following noteworthy facts.

Emotional intelligence, also known as EI or EQ, Emotional Intelligence is the ability to perceive, use, understand, manage, and handle our emotions. It primarily involves self-awareness to observe and recognize one's emotions, and empathy, as the ability to view and understand things from another person's perspective. It might be difficult to react effectively in stressful or unpleasant circumstances, so emotional intelligence helps us do so.

1.22.2 The Role of Emotional Intelligence in increase sales performance

Having emotional intelligence facilitates the development of deep connections with others. It's a talent that we may use in both our personal and professional life. Sales discussions heavily rely on EQ since success in sales depends on our ability to relate to and earn the trust of our customers. The effectiveness of salesmen could be greatly enhanced by developing their EQ capabilities. Our ability to listen intently to those we interact with and truly comprehend their concerns is made possible by emotional intelligence.

The following are importance of Emotional Intelligence on Sales Performance.

- It assists in resolving client issues.
- Emotional intelligence is the ability to identify and understand customers' thoughts and feelings and act accordingly.
- Putting that into context, you would expect your sales representative to go above and above to assist you if you were the customer. True emotional intelligence centres on carefully listening to your consumers' concerns rather than pressuring them into making a purchase.
- It aids in reducing employee turnover.
- Staff hiring and firing is a difficult process.
- It not only squanders time that you could be using to train your team, but it may

also affect the quality of the sales service you provide to your clients. It is necessary to train and then acclimate each new hire.

- But choosing salespeople based on their emotional intelligence really leads to a 63percent lower turnover rate in the first year!
- Additionally, the more employees you can retain by enhancing their emotional intelligence, the less time you'll need to spend recruiting and onboarding new employees.
- It aids in increasing revenue
- However, they can bring your company even more money if they receive EQ training. According to studies, sales representatives with high emotional intelligence scores generated twice as much income as those with ordinary or lower ratings.
- In fact, one business investigated if EQ training enabled its salespeople to close more deals.

1.22.3 How to learn emotional intelligence to salespeople

Emotional intelligence has always been seen as a soft ability that some people are naturallygifted with while others are not.

Daniel Goleman, who contributed to the popularization of EQ, asserted that it can be developedand described in five EQ categories:

- Self-awareness
- Self-regulation
- Social skills
- Empathy
- Motivation

Sales training that focuses on all five areas can help your sales representative to build emotionalintelligence.

References

- Avhad, P. (2020). The Indian pharmaceutical industry: The 'pharmacy of the world'. Deloitte.
- Goleman, D. (1998). Working with emotional intelligence. New York: Bantam Books.
- Goleman, D. (2000). Working with Emotional Intelligence. New York: Bantam Books
- KPMG. (2018). Gujarat pharmaceutical industry. KPMG.
- Goleman, D. (2001). An EI based theory of performance. In C.Cherniss and D.Goleman (eds.), The emotionally intelligent workplace. San Francisco: Jossey-Bass.
- Mayer, J.D., Salovey, P., & Caruso, D. (2000). Models of emotional intelligence. In J.R. Sternburg (eds.) Handbook of Intelligence. Cambridge, UK: Cambridge University Press.
- Mayer, J.D., Salovey, P., & Caruso, D., & Sitarenios, G. (2003). Measuring emotional intelligence with the MSCEIT V2.0. *Emotion*. 3, 97-105.
- Navadhi. (2023, March). Retrieved from Navadhi.com: <https://www.navadhi.com/publications/global-pharmaceuticals-industry-analysis-and-trends-2023>
- Pharmatrac. (2024, April). Indian pharmaceutical market registers a growth of 9.5% in March 2024.
- Sfetcu, N. (2020, October). Models of Emotional Intelligence - EI in Research and Education.
- Statista. (2024, May). Retrieved from <https://www.statista.com/statistics/379046/worldwide-retail-e-commerce-sales/>
- Statista. (2024, march). statista.com. Retrieved from statista.com: <https://www.statista.com/outlook/hmo/pharmaceuticals/worldwide>.
- Thorndike, R.L. and Stein, S. (1937). An evaluation of the attempts to measure social intelligence. *Psychological Bulletin*. 34, 275-284.