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Primus Partners launches thought leadership report highlighting nearly ₹48,000 crore annual pharma value leakage

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Primus Partners, India's leading management consulting firm, released its latest thought leadership report, "The Leaking Pipeline: How India Loses Nearly 24% of Its Domestic Pharmaceutical Value Before It Generates a Health Outcome", highlighting an estimated annual loss of nearly ₹48,000 crore across India's pharmaceutical value chain before medicines deliver their intended health outcomes.

The report estimates that nearly one-fourth of India's annual domestic pharmaceutical expenditure is lost due to government stock expiry and overstocking, unused household medicines, substandard and spurious medicines, and downstream treatment failures. While India has established itself as the "Pharmacy of the World" through its manufacturing capabilities and affordable medicines, the report argues that the country's next phase of pharmaceutical leadership must focus on post-market accountability, ensuring medicines remain traceable, recoverable, and effective throughout their lifecycle.

The report recommends two key policy interventions to address these systemic leakages: a National Drug Recall Policy to strengthen mandatory recalls, digital traceability and batch-level monitoring of unsafe medicines, and a National Medicine Buyback/Take-Back Policy to facilitate the safe collection, recovery and disposal of unused or expired medicines. Together, these measures seek to establish a closed-loop pharmaceutical ecosystem that enhances patient safety, improves supply chain transparency, reduces wastage and strengthens public trust.

Speaking on the launch of the report, Nilaya Varma, Co-Founder & Group CEO, Primus Partners said, "India has earned global recognition as the Pharmacy of the World by making quality medicines affordable and accessible across geographies. As our pharmaceutical ecosystem matures, the next frontier is ensuring that every medicine manufactured, procured and dispensed delivers its intended health outcome. Our report highlights that nearly ₹48,000 crore in pharmaceutical value is lost annually through inefficiencies that are largely preventable. Strengthening post-market accountability through robust recall systems, digital traceability and structured medicine recovery mechanisms can significantly improve patient safety, reduce avoidable healthcare costs and reinforce India's credibility as a trusted global pharmaceutical leader."

According to the report, even a 25% reduction in current leakages could potentially recover ₹10,000 to ₹12,000 crore annually while improving medicine availability, reducing out-of-pocket healthcare expenditure and supporting better health outcomes for patients across the country.

The study also examines global best practices from the United States, the European Union, Australia and Canada, where integrated recall systems, digital traceability and medicine take-back programmes have significantly strengthened pharmaceutical governance. It suggests that India can leverage its extensive healthcare infrastructure, Jan Aushadhi Kendras and rapidly expanding digital commerce ecosystem to build a scalable, technology-enabled pharmaceutical recovery network.

As India advances towards the vision of Viksit Bharat 2047, the report concludes that pharmaceutical leadership will increasingly be defined not only by manufacturing excellence, but also by accountability, transparency and the ability to ensure medicines consistently deliver measurable health outcomes.