

India is rapidly consolidating its role as a global manufacturing and innovation hub for pharmaceuticals, biopharma, medtech, and consumer health—and Hialeon's new plant in Madhya Pradesh is less an anomaly than a signpost of where the industry is headed. Taken together, foreign investment, export data, and policy bets reveal an industry that is not just expanding in scale but quietly shifting the geography of global health production toward India and other emerging markets.

Hialeon's wager in Pithampur

When Hialeon, the company behind Sensodyne and Panadol, committed roughly \$250 million (about £175 million) to its first self-owned manufacturing facility in India, the announcement landed like a vote of confidence in the country's consumer healthcare ecosystem. The greenfield plant, spread over about 40 acres in Pithampur's Smart Industrial Park in Madhya Pradesh, is slated to become one of the largest units in Hialeon's global supply chain, focused initially on oral-care products but designed with export capacity baked in from day one. Scheduled to begin operations toward the end of this decade, the facility is expected to create around 500 direct jobs and a similar number of indirect roles, while supplying both the domestic market and key Asian export destinations.

For Hialeon, India is not a speculative emerging market toe-dip but a central node in a broader strategy to reach an additional one billion consumers worldwide by 2030, of whom fully 300 million are expected to be in India alone. Emerging markets already account for around one-third of Hialeon's sales and roughly half of its growth, and management has signaled that this share is likely to move into the "high-30s" by the middle of the decade, underscoring how critical countries like India have become to the company's future. In this sense, the Pithampur plant is not merely a factory; it is a physical expression of a pivot in global consumer health, away from legacy manufacturing centers in Europe and North America and toward the complex supply chains of Asia.

From “pharmacy of the world” to health-industrial platform

India has long been described as the “pharmacy of the world,” a shorthand for its dominance in generic medicines that fill prescriptions from Lagos to London. Over the past five years, that label has hardened into data: India’s pharmaceutical exports rose from around \$20 billion in 2020 to more than \$30 billion by 2025, reflecting steady, year-on-year growth even as the broader global market wobbled under pricing pressure and post-pandemic hangovers. According to India’s Pharmaceuticals Export Promotion Council and other industry trackers, pharma exports grew roughly 9 to 10 percent in FY 2024–25—outpacing the global export growth rate of about 5 percent and taking shipments to around \$28–30 billion.

More recent numbers suggest this momentum has not plateaued: in the first nine months of FY 2025–26, pharma exports reached about \$23.1 billion, up from 21.7 billion in the same period a year earlier, driven particularly by demand from emerging markets rather than the United States or Western Europe. Analysts such as CareEdge Ratings now forecast overall Indian pharma industry growth of around 9 percent annually between FY 2025 and FY 2027, powered by both domestic consumption and exports. Together, these figures show that India is no longer just a volume player in low-cost generics but a systemically important supplier whose production decisions reverberate across multiple continents.

Why multinationals are building in India

For global companies like Haleon, the attraction of India is partly arithmetic: a vast and increasingly affluent population, rising health awareness, and a still-underpenetrated market for everything from toothpaste for tooth sensitivity to nutraceutical supplements. But the choice to manufacture in India rather than simply sell into it also reflects a deeper structural

shift, one that combines cost advantages with a dense ecosystem of chemists, engineers, regulators, and contract manufacturers accustomed to producing at scale under stringent quality regimes.

India's manufacturing workforce is not only relatively low-cost; it has decades of accumulated experience dealing with exacting regulators in the United States, Europe, and Japan, a legacy of the country's rise as a major exporter of generic drugs and vaccines. Concurrently, concerns about concentrated supply chains—especially the world's reliance on China for active pharmaceutical ingredients—have pushed many multinationals to look for “China-plus-one” strategies, in which India often shows up as a natural alternative or complement given its scale and political alignment with both Western and Global South markets. In this environment, building a plant in Pithampur is not only a way to serve India; it is a way to hedge systemic risk in the global consumer health supply chain.

Policy tailwinds and competitive federalism

Corporate strategy alone does not explain why India is becoming a hub; policy has done much of the heavy lifting, particularly in the past five years. In the Union Budget for 2026, the central government unveiled the Biopharma Shakti programme, a \$1 billion initiative spread over five years explicitly aimed at turning India into a global biopharmaceutical manufacturing hub, with investments slated for biologics, biosimilars, and the supporting research and regulatory infrastructure. In parallel, production-linked incentive (PLI) schemes and sector-specific reforms have tried to nudge companies into localizing higher-value segments of the value chain, from critical APIs to complex formulations, often with export performance as a key metric.

Union ministers increasingly talk about the pharmaceutical and medtech ecosystem not just as a health-sector story but as a core growth engine for GDP, positioning India as a global

manufacturing base for “high-quality, affordable healthcare solutions.” States have responded with their own flavor of competitive federalism: Madhya Pradesh touts Pithampur, Indore, Mandideep, and Ujjain as rising pharma clusters; Telangana and Andhra Pradesh highlight their life-sciences corridors; Gujarat and Maharashtra lean on legacy industrial estates and ports to pull in new investments. Haleon’s project, celebrated by the Madhya Pradesh chief minister as evidence that the state has become “not just a manufacturing hub, but an established global export hub,” fits comfortably within this larger political and economic script.

Consumer health’s quiet boom

While bulk generics and vaccines still dominate the export narrative, the domestic consumer health and over-the-counter (OTC) market is quietly transforming into a growth engine of its own. Industry estimates cited in connection with Haleon’s investment suggest that India’s consumer healthcare sector—stretching from oral care and pain relief to vitamins and digestive aids—is on track to exceed \$23 billion by 2030, driven by rising incomes, urbanization, and a cultural turn toward self-care. This is the terrain in which brands like Sensodyne, Eno, Otrivin, and Iodex operate, and where multinational and Indian firms alike see room for premiumization as consumers trade up from generic, unbranded products to scientifically marketed formulations.

The Pithampur facility’s focus on oral care, with plans to export to multiple Asian markets, captures the dual nature of this opportunity: products formulated and branded for India can, with modest adaptation, be exported to Southeast Asia, Japan, Australia, and beyond, leveraging similar epidemiological patterns such as high prevalence of dental sensitivity and lifestyle-driven conditions. As companies learn to design products for the Indian middle class that also resonate in Lagos, São Paulo, or Jakarta, India becomes not only a low-cost factory but a design lab for consumer health in the Global South.

Emerging markets as the new center of gravity

If you zoom out from India to the broader map of global pharma and consumer health, a striking pattern emerges: the fastest-growing markets are no longer the traditional rich-world anchors. McKinsey estimates that pharma sales in emerging markets are expected to grow at nearly twice the global average between 2023 and 2028, with the emerging-market segment projected to expand from around \$80 billion in 2018 to 261 billion by 2028. Within that, the Indian subcontinent's pharma market is forecast to more than double, from \$21 billion in 2018 to \$53 billion in 2028, while the rest of Asia and Oceania climbs from 264 billion to \$398 billion over the same period.

Indian companies are leaning into this shift: export data show that regions like Africa, Latin America, and Southeast Asia now account for a growing share of incremental growth in India's pharma shipments, with Africa alone contributing nearly 13 percent of exports and Latin America around 7 percent in recent years. Nigeria and Brazil, for instance, have emerged as major destinations for Indian medicines, including formulations and APIs, underscoring how much of India's future growth lies outside the traditional US-EU axis. Haleon's decision to build in India with an eye on broader Asian exports follows the same logic: emerging markets are not ancillary—they are the new center of gravity, and India is their manufacturing back-end.

Moving up the value chain: biopharma and

beyond

One critique of India's pharmaceutical rise has been that it is mostly about copies: generic small-molecule drugs rather than frontier therapies. Programmes like Biopharma Shakti are explicitly designed to change that narrative by directing capital and attention toward biologics, biosimilars, and advanced manufacturing technologies that demand more intensive R&D and tighter regulatory frameworks. The \$1billion earmarked under this initiative are intended to build an ecosystem—laboratories, clinical trial infrastructure, skilled workforce pipelines—that can support domestic production of high-value biopharmaceuticals, reducing reliance on imports and positioning India as a serious player in the next generation of therapies.

Industry growth forecasts hint at the payoff: CareEdge projects that both regulated markets (such as the US and Europe) and semi-regulated or unregulated markets (such as many African and Asian countries) will see Indian pharma exports grow at healthy rates, with regulated markets even clocking around 9 percent annual growth between FY 2025 and FY 2027. Within exports, complex generics, oncology products, and biologics are expected to outpace the broader market, driven by patent cliffs in developed economies and rising disease burdens in emerging ones. The trajectory suggests that India's role is gradually shifting from being a factory of cheap pills to an integrated platform that spans everything from simple generics to sophisticated biologics and consumer health brands.

Medtech, regulation, and credibility

Pharma is only one pillar of India's evolving health-industrial complex; medtech and devices are increasingly part of the story. Policymakers regularly describe a future in which India becomes a global hub not just for drugs but also for diagnostics, implants, and medical

electronics, tying this ambition to larger goals such as boosting manufacturing's share of GDP and reducing the trade deficit in high-tech health equipment. The logic is synergistic: as hospitals and clinics across Africa, South Asia, and Latin America upgrade their infrastructure, a supplier that can offer both medicines and devices at scale and at lower price points will have a structural advantage.

All this, however, depends on regulatory credibility. The sector has faced periods of intense scrutiny, particularly in the United States, where Indian plants have at times been cited for lapses that prompted import alerts and reputational damage. Yet the very fact that India continues to grow exports to highly regulated markets—North America alone accounts for about 40 percent of India's pharma exports, and saw a turnaround to roughly 13 percent growth in FY 2023–24 after a stretch of pricing and compliance pressure—suggests that many firms have been able to course-correct and upgrade quality systems. This slow, uneven process of regulatory maturation is critical if India is to move further up the value chain and make a credible claim to being not just the “pharmacy of the world,” but one of its quality benchmarks.

The structural drivers behind a positive outlook

Taken together, the numbers point toward a broadly positive, even optimistic, industry outlook over the coming decade. Analysts expect India's pharma exports to cross \$35 billion by 2027 and potentially \$40 billion by 2030, assuming consistent policy support and continued innovation in complex generics, biologics, and specialty segments. Domestically, rising incomes, urbanization, and a shift from out-of-pocket spending on acute episodes to more continuous management of chronic conditions are expanding the addressable market for everything from diabetes drugs to high-end toothpaste, supporting projections of robust

consumer health growth through 2030.

Globally, a structurally faster-growing emerging-market pharma segment—forecast to grow at a compound annual rate of more than 15 percent between 2023 and 2028, nearly double the projected global average of about 8 percent—ensures that demand for affordable, high-quality medicines and health products will remain strong. India sits at the intersection of these trends: it is both a major emerging market in its own right and a production base with the scale, cost structure, and regulatory experience to supply others, from West Africa to Southeast Asia. As multinationals like Haleon deepen their manufacturing commitments and Indian companies push further into higher-value segments and new geographies, the contours of a new health-industrial geography come into focus—with India not at the periphery, but very much near the center.

Here, the Pithampur plant is useful to think with. Seen narrowly, it is a \$250 million capital expenditure meant to localize production of oral-care products and reduce import dependence for a fast-growing market segment. Seen more broadly, it is one tile in a mosaic of factories, R&D centers, export clusters, and policy schemes that together signal a long-cycle bet on India as a hub for the manufacture and design of health itself—a bet that, barring a severe regulatory or geopolitical shock, seems likely to pay off not only for investors but for hundreds of millions of patients and consumers across the Global South.