Indian pharma: The future

*One should find different ways, innovations to get niche rather than become another run-of-the-mill company, advises **Dr Sanjay Agrawal**, Head, Medical Department, Corona Remedies*

Hailed as one of the fastest growing pharmaceutical market in the world India today stands at 14th position in terms of value and contributes to 10 percent of global volume of production (third position). With increasing attention on medical facilities to remote places and rising access to earlier uncovered areas it is growing by leaps and bounds and is poised to become one of the top 10 pharma markets by year 2015.

But is this the only reason to attract multinational giants from all over the world? There are many more.

Ease in communication as English is the business language which is preferred by major parts of the world, less stringent Government regulations and lesser number of legal litigations compared to developed markets, easy availability of trained and well competent manpower at comparatively lower costs, well developed domestic infrastructure and state of the art manufacturing facilities matching international standards to cater domestic and overseas markets and finally

lower R&D and drug development costs supported and encouraged by Government policies are some of the reasons why India is the lucrative destination for foreign multinational pharma companies.

Down slide in economic growth

But what are the other reasons for increasing thrust seen in the recent years?

The down sliding economic growth in developed countries is putting pressure on healthcare costs. Many countries which have earlier opposed the idea of generic drugs are shifting their strategies to promote the use of generics at lower costs. This reduced the operational margins and profits affecting the investment in drug development and R&D activities. With the failure of many new drug discoveries and waste of huge amounts of money, the pipeline of new molecule introductions is dried up and to add to it many molecules with huge turnover are getting out of patents in short time. The only way out is to look out for other destinations to maintain viability and growth.

With the availability of huge financial resources the best and the easiest way these multinationals have found is to acquire existing leading domestic pharma companies. The acquisitions of Ranbaxy and Piramal are the recent examples to support this fact and many more may follow by looking at impressive money transactions in these takeovers. But will all companies follow the same suit? Certainly not.

Insipte of the stiff competition by thousands of local and national level companies, there are still many opportunities to earn huge profits. But what it needs is to have proper vision, constant efforts and in-depth knowledge of domestic markets. One should be ready to welcome the new challenges and must adapt to the new situations. This is the only way to race ahead of others. There are vast locations yet to be catered and many segments including biotechnologies yet to be covered. One should find different ways and innovations to get niche and recognition than other run-of-the-mill companies.

One should understand that competitors are not enemies but can be the resourceful partners provided the ideas and resources are shared to achieve the common goals. The companies must come together to overcome common hurdles and find ways to come up with new molecules and newer therapies by constructing R&D facilities and drug developing centers. The Government machinery and the academic institutions can also be the useful aid to look upon and get the things done at affordable costs.

All said and done, it requires constant upgradation and consistent efforts to link vision with success story. While a difficult path, it is not impossible and can be a better and more profitable alternative than to surrender and sell to multinationals.