

Drug firms keen to shed China crutch

But say govt must remove regulatory shackles

By **Poulomi Saha**
in New Delhi

INDIAN pharma majors are ready to shed their heavy dependence on Chinese companies, but are of the view that the government will have to facilitate the process by making it easier for domestic companies to do business.

Currently Indian firms import as much as 70% of the raw material or what are known as active pharmaceutical ingredients (APIs) to make medicines from China.

Indian pharma giants believe the outbreak of COVID-19 at the start of the year had already exposed the world's over-



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Nilesh Gupta, Lupin MD



Pankaj Patel, Cadila chairman

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reliance on China. They think there's a golden opportunity now to break out of this stranglehold.

Samina Hamied, executive vice chairperson, Cipla Ltd told India Today TV, "It's not a short-term or a medium term fix. It's a longer term fix. It's an incredible opportunity to reinvigorate our domestic API business, bring manufacturing back on shore from China. But this can't happen overnight. This needs sustained intervention from the government. Easing of the regulatory environment is the most challenging right now."

Nilesh Gupta, managing director at Lupin Ltd notes that it wasn't always that the Chinese

ruled the roost. "This industry didn't get support in India and that's why it died. If you go back, penicillin G is a very important intermediate for anti-infectives. There used to be as many as six plants earlier. There's not one single plant which is meaningful at the moment. All of it moved to China," he told India Today TV in an exclusive conversation.

Pharma majors are calling on the government to create an enabling environment to take on China.

"If there is going to be a challenge, we cannot depend on the outside world. We have to depend on our own capability. For that a strong innovation ecosystem is required and the government has to do what it can, including removing regulatory hurdles. Unfortunately we are the only country in the world which requires permission to do research," says Pankaj Patel, chairman of Cadila Healthcare, which is currently working on a vaccine against COVID-19.

The pharmaceutical industry believes the challenge will be in achieving scale and competitive-

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ness when taking on China. "This can't just be for domestic consumption alone. It also needs to be for exports. It will take a big leap of faith to invest in this sector," says Satish Reddy, president, Indian Pharmaceutical Alliance and Chairman, Dr Reddy's Laboratories.

Reddy says if in 10 years time, the industry wants to touch the \$120 billion mark from the current \$41 billion, the government will have to recognise the strategic significance of the industry in times such as now.

"The pandemic has been unprecedented and I don't think any government around the world can say it was prepared for the onslaught," notes Samina

Hamied. "India seems to have handled it at different levels like our mortality level is low. But obviously we went into an early lockdown just to give our healthcare infrastructure a little bit more time. However, lockdown is not the panacea to a pandemic. It has to be about providing high quality drugs at affordable prices. There is a lot of work that will have to happen between government and industry," she said.

Nilesh Gupta summarises it thus: "Adversity does not build character, it reveals character. I think the character of the pharmaceutical industry has been truly revealed. We've really stepped up to the plate. We've made sure India does not falter."