

Genome India

11 August 2003 | News

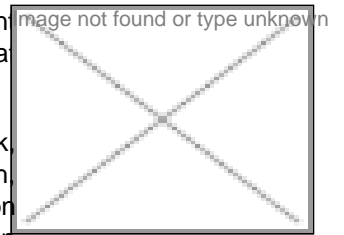
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Biotechnology is gaining momentum in India. It is no longer confined to a few government laboratories and companies in a few cities. After Karnataka, Andhra Pradesh and Maharashtra, at least eight states are all set to join the biotech bandwagon.

At the top of the heap is Tamil Nadu which has set up a big infrastructure facility, Tidel Park, adjoining its software center Tidel Park. The state is leveraging its strengths in research, engineering and pharmaceuticals to make a mark in biotechnology. Neighbor Kerala is banking on its lead in Ayurveda (a traditional Indian system of medicine) to develop a viable industry in phytopharmaceuticals. Two new states in North India, Chhattisgarh and Uttaranchal have formulated a clear road map to develop the sector based on their rich diversity in biological materials. The western state of Gujarat is placing its bets on biopharma and marine biotechnology. Punjab believes that it can create wonders with bio agriculture on the back of its dominant agriculture sector.

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This is a heartening development. Primarily the thrust into biotechnology is driven by the urge to be in tune with the modern economy. Knowledge industries are the drivers of growth in the world today and biotechnology is perceived to be the next winner in the global economic sweepstakes.

So far so good. But is it a rosy scene out there in the biotech world?

According to Ernst & Young, there are some 5,000 biotechnology companies, including 600 publicly traded firm, in two dozen

bio active countries. The 600 public companies together showed a net loss of \$ 12 billion in 2002. The majority of the private biotech companies too are loss-making ones. However, the good news for the 25-year industry is that more than 50 companies are closer to becoming profitable entities.

Most of the entrepreneurs who have jumped onto the biotech bandwagon are aware of the long haul ahead of them. The human genome map and other recent developments in this area have created a lot of hype around the sector. Most industry experts say that the players should not be taken in by such public attention over these developments. The difficult part of the genomics era is ahead: how to make sense out of the data, how to interpret the complex interactions directed by the genes etc.

Yet the attention from the policy makers in the bio active states of India is welcome. As these states build up their biotech sector and compete to attract funds and talent, the awareness will increase tremendously. It will also help to grab the attention of national policy makers. This would then lead to gradual removal of several road blocks in the path of biotechnology. The information technology sector benefited from such attention from the influencers. The road is much more difficult for the biotechnology industry. But the focus is welcome for the long term growth of the sector.

