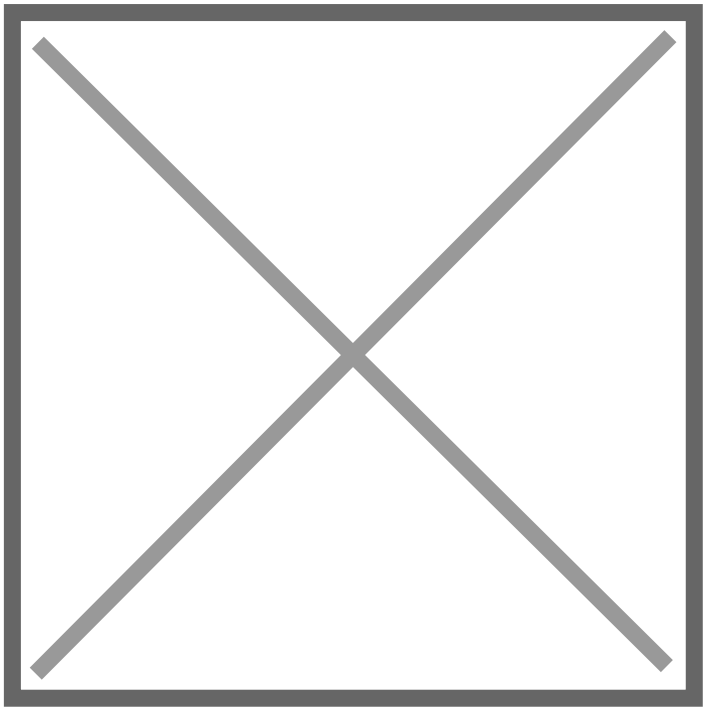



## 2. Serum Institute of India

15 June 2005 | News



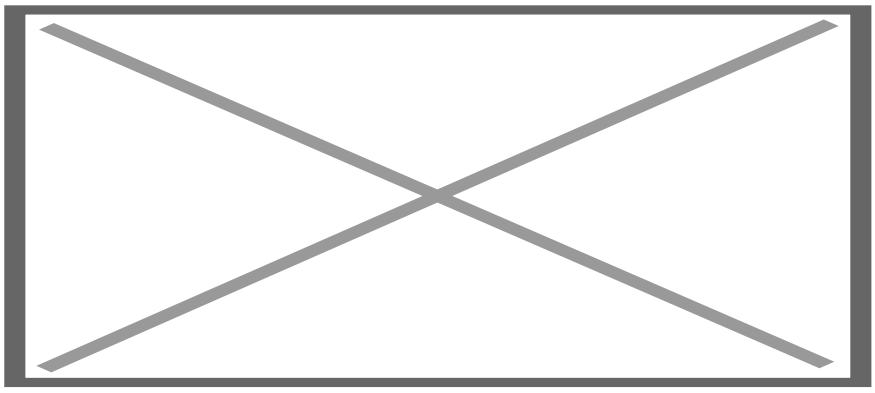
**Chairman: Dr CS Poonawalla**

# Socialist Vaccines

**Intense International competition, especially in the bulk procurements segment, has affected Serum's sales**

Intense competition in the global marketplace, especially in the bulk procurements segment, is hampering the growth of vaccine makers around the world. And India's leading vaccine exporter too is no exception to this trend.

Although the vaccine leader, Serum Institute of India increased its sales to Rs 505 crore in 2004-05, its growth rate is very marginal.



Serum Institute of India has recorded sales of Rs 505 crore for the year 2004-05, up from last year's sale of Rs 491 crore, registering a growth of just 2.85 percent. About 85 percent of its sales are from overseas markets. It sells the rest of the vaccines in the domestic market.

Serum's major customers are UN agencies that mainly meet the demand in South American countries, Egypt, Africa, Caribbean countries. Serum International Ltd, its marketing arm to sell research based products of Serono, Switzerland has recorded sales of Rs 60 crore in 2004-05 with a negative growth of 6.25 percent against last year's sale of Rs 64 crore. This sluggish growth is mainly due to competition and as most its products are sold to UN agencies at subsidized prices.

Since its inception, Serum Institute has placed great reliance on its R&D function. The generous investment on men, machines and materials yielded rich returns. A distinctly separate autonomous body, Serum Institute of India Research Foundation, was instituted with a focus on research in the fields of medical sciences and in natural and applied sciences. The success story of foundation includes the pilot production of measles vaccine on human diploid cells; industrial column chromatography and affinity chromatography for separation of immunoglobulins; monitoring of quality of vaccines in the field.

During the year Serum Institute has signed an licensing agreement with London-based Lipoxen Technologies for a major product development program. The agreement involves eight new product candidates, including protein drugs such as GCSF and EPO, anti-cancer drugs and vaccines. The Serum Institute provides the active ingredients and Lipoxen provides enhanced delivery systems. The agreement combines Lipoxen's strengths in intellectual property and innovation in the drug delivery field.

Under the agreement, Serum Institute will retain control of marketing in India, Africa, Asia (except Japan) and Latin America, taking advantage of their existing distribution infrastructure. Lipoxen retains control of marketing and sub-licensing in the major market territories and seeks collaboration partners for the marketing of these products in such territories.

Serum Institute of India set up Serum International Ltd to market research based products from Serono, world leaders in fertility products. Over the years Serum Institute has eliminated India's dependence on imports for several product lines and emerged as the largest supplier for the government's expanded program of immunization.

It is now focusing on other range of products like Hepatitis vaccines, vaccines against HIV, BCG and TB. In December 2004 Serum Institute has launched its unique rabies vaccine called Rabivax at Rs 293, a price within the reach of the majority of Indians.

Serum Institute's millennium endeavor is to produce vaccines that would be administered to up to 75 percent of the new-borns of the world. It has an ambitious project coming up at Pune at an investment of Rs 200 crore. This project is expected to be over during the current financial year. It will be for making combination vaccines mainly for pentavalent vaccines (DPT HepB and Hib), which is most sought-after by Global Alliance of Vaccine Initiative, UNICEF, WHO, World Bank.