

Pharma-Biotech Partnerships a Must

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The time has come for the pharmaceutical and biotech industries to join hands to develop cutting edge biopharma products and add value to biogenerics to sustain India's edge in global markets, advises Krishna M Ella. Ella is the ABLE's head of the Special Interest Group on Biopharma and the Chairman of FICCI's Biotechnology Committee.

In recent times, we have seen a lot of action on the regulatory front which impact the developments in biotechnology. The two most notable actions are the setting up of the National Task Force on Agricultural Biotechnology headed by Prof. MS Swaminathan and the Task Force on Recombinant Pharmaceutical Products chaired by Dr RA Mashelkar. I have no doubt that their recommendations will clear a lot hurdles facing some of the core sectors of biotechnology.

There are other equally important areas that require immediate attention for the growth of the biotechnology sector in our country. The lack of availability of finance to help start ups in this sector has been another issue discussed widely. This is certainly becoming a big hurdle. In the absence of adequate finances, entrepreneurship is not taking place in a big way in the country. Biotechnology as a sector offers enormous opportunities to take up top quality research leading to the creation of intellectual property rights (IPR). What we need in our country is the emergence of a vibrant knowledge-based economy and to make this happen, availability of financial resources is a must.

Instead what we are witnessing is the entry of the established players of the pharmaceutical sector into the biotechnology arena. There is nothing wrong with that. However, this does slow down the process of innovation. By and large, the established companies eschew innovation and stick to time tested methods, which just leads to incremental changes in the product portfolios.

Just take the case of biogenerics. Our companies have invested huge financial and human resources into the development of biogenerics in the hope of capturing the price-sensitive markets for existing blockbuster drugs. This game has its limitations. The big pharma players have not been sitting idle. To protect their markets, these companies have built many barriers around their products. This has led to the development of "super biogenerics" supported by the owners of the original IPRs. The generics are becoming outdated. The "super biogenerics" have come in with new dosages, new formulations and with new processes. This has certainly helped to extend many existing patents.

In such a scenario, survival will become an issue for the players in the biogenerics segment. Collectively, our industry should find a way out of this. There is a way. The bad situation can be turned around by adding value to the biogenerics, which will help to maintain their market share.

How can this be done? We now have a large number of pure play biotech companies, which have invested heavily in recent years to develop cutting edge products. India's big pharma players should consider striking alliances with these companies. It is a win-win situation for every one. The big pharma players will be able to tap the talents available in these biotech companies. The biotech companies will get the much-needed support from the established players. The bonus is of course, the vast marketing networks that the pharma companies have built up in the recent past. These pharma companies should consider outsourcing a lot of their development work to the biotech players and avoid duplication of investments and resources. After all, how many players do we need to manufacture, for example, erythropoietin? Such moves will help the pharma companies and also help the biotech startups to reach sustainable levels quickly.

We have to look at the funding requirements from other angles too. The country requires a start-up fund to enable the PhD students in biotechnology turn entrepreneurs. Presently the venture capitalists are not interested in funding good ideas from our academics. We have to ensure that talented individuals with good business ideas are supported with soft funds, allowed to locate research facilities on their campus and helped to develop products to a stage, which will attract VC funds for commercialization.