

Vibrant Gujarat Global Investors Summit 2009

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The Vibrant Gujarat Summit 2009 was a roaring success as it saw investments in the biotech sector and pharmaceutical sector to the tune of Rs 2,508 crore and Rs 3,250 crore respectively

Chalo Narendrabhai! was the unanimous slogan chanted by top notch industrialists and delegates present at the Vibrant Gujarat Global Investors Summit 2009. Leaders from 37 countries including Japan, Britain, Italy, Singapore, Kenya and Uganda were present at the event. Industry tycoons like Mukesh Ambani, Kumar Mangalam Birla, Ratan Tata, KV Kamath, Anil Ambani, Sunil Mittal, Captain Gopinath, Sabeer Bhatia, AM Malik, Shashi Ruhia, and Sterling Nitin Sandesara, had expressed their confidence in investing in Gujarat; they also hailed Modi as a 'super CEO' for showcasing future plans in the state.

Chief Minister, Narendra Modi described the event as "the power house of knowledge, skills, talents, intelligence and entrepreneurship. It is not merely a platform for forward looking prospective investors but it shows the path to them." While promoting FDI investment, Modi later announced that Japan has come forth as a partner country. Describing Gujarat as an 'investors paradise' Kumar Mangalam Birla said, "We need many more Narendrabhai's in India. Other states in India need to emulate what Gujarat has done till date." Mukesh Ambani declared, "Gujarat has shown that not just opportunities but even challenges can be transformed into investments."

Despite the global financial turmoil, the event was a thumping success with investments in the biotechnology and pharma alone amounting to Rs 2,508 crore and Rs 3,250 crore respectively. In the biotech sector, 30 MoUs were signed by 25 companies. These include two international companies, six companies outside Gujarat while 17 are Gujarat-based companies. In pharma sector, 27 MoUs were signed by 25 companies including four international companies, four companies are outside Gujarat while 17 are Gujarat-based companies. The projects include contract manufacturing, bulk drug manufacture, formulations, drug delivery systems. The investment is expected to generate employment to around 14,000

skilled people.

Biotech and pharma sector

Over the years, the biotech and pharma industry sector in Gujarat has seen myriad developments. The state government earlier formulated the State Biotechnology Policy 2007-2012 and the Gujarat State Biotechnology Mission was set up with the primary purpose of being the catalyst for entrepreneurs and attract investments in the biotech sector in Gujarat. Today Gujarat boasts 50 biotechnology companies and 66 support organizations, the present turnover of this sector is around \$195-245 million. There are 67 percent corporate biotechnology units, 20 percent academic units, 11 percent R&D institutions and two percent NGOs. The stakeholders of Gujarat biotechnology industry compromise 60 percent of healthcare, 20 percent of agriculture, 16 percent of each industry and environment sectors and the other sectors contributing eight percent.

Over the years, the state has also evolved as the hub for pharmaceutical companies, which contributes to over 42 percent of India's total turnover in the pharmaceutical sector and providing employment to 5,200 people. The state has around 3,267 registered units with total investments of \$1.6 billion. Prominent names in the pharmaceutical sector are Zydus Cadilla, Torrent Pharmaceuticals, Sun Pharma, Concord, Cadilla Pharma and Intas Biopharma.

Gujarat's other strengths include agriculture biotechnology which includes companies like Bayer Crop Science Ltd, Excel Cropcare, Gujarat Life Sciences and Gujarat State Fertilizer and Chemicals Ltd. In the industrial biotechnology front major companies are Maps(India) Ltd, Anil Biochem Ltd, Americos Industries Inc and Zytex Biotech. Other areas include environmental biotechnology, bioinformatics, educational infrastructure and the upcoming marine biotechnology.

The state is also making the news for the emerging SEZs and biotech parks. Gujarat is setting up a biotech SEZ at Savali, Vadodara having a total area of 1,700 acre. In addition to this, the state is also decided to develop a hub of academic and research institutions. Other SEZ zones include Pharmaez (Zydus Cadilla) which covers 48.83 hectares, PHAEZ (Cadilla Pharma) which covers an area of 200 hectares, Dishman Pharma SEZ which covers 139 hectares and JB Chemicals SEZ covering a total area of 130 hectares

In fact, the Vibrant Gujarat Summit 2009 has witnessed the inflow of investments amounting to \$367 million with MoUs between the state, biotech players and industrialists from abroad and outside Gujarat. Major alliances included Zydus-Altana and Biogene, Reliance Life Sciences (RLS) and GenMedix, Intas Biopharma and Virionics Corporation, Synchron and Paraxel and Alembic and UCB.

The way forward

The Vibrant Gujarat Global Investment Summit 2009 saw the presence of the stalwarts of the industry. The biotechnology and pharma session was chaired by Pankaj Patel, CMD, Zydus Group and speakers included Ram Kaundinya, MD, Advanta India Ltd, Hyderabad, Aindrilla Dasgupta from Novozymes South Asia Ltd, Ram Gupta, president and MD, Thermo Fisher Scientific Ltd, Dr Anita Goel, chairman and CEO Nanobiosym, US and Henrich Svenmark, GM, Asia Pacific, GE Life Science, I A Modi, chairman, Cadilla Pharma, Dr Jaynarayan Vyas, minister of health and family welfare, and Jaisingh Chauhan, minister of state for primary, secondary and adult education, were present at the event. Speaking at the event, Akshay Kumar Saxena, mission director, GSBTM, said, "Gujarat is gradually changing from a science-based economy to a knowledge-based economy. Signs of growth include start-up companies, expansions (like Intas venture into North America) collaborations and acquisitions (Zydus -Etna and Synchron- Paraxel)."

Around 600-700 professionals –largely from biotechnology and pharma Industries, both from Gujarat and outside Gujarat, associations of pharma and drug manufacturers, researchers, faculty and professionals participated in the summit. Representatives from nearly 100 pharma and biotech industry, participated in the seminar. Other participants included faculty and researchers from Gujarat university, Nirma University, Sardar Patel University, Mark Patent Cell, GETCO, IIR, Zydus research center, GCRI, PERD, CSMCRI and NRCMAP. The glaring fact was interest shown by Nanobiosym, a US based company which has expressed interest for developing ecosystem for nanobiotechnology research, education and manufacturing related services. Nanobiosym has expressed its commitment for developing a nano-biotech park, incubator facilities and venture financing to biotechnology sector in Gujarat. The occasion also saw presentation by Lonza biologicals, one of the biggest contract manufacturing company from Switzerland.

A total of 57 MoUs were signed, with committed investment of Rs 5,738 crore. The investments include 30 MoUs in biotechnology sector and 27 MoUs in pharma sector. The projects cover vaccines, bio-degradable plastic, immunosuppressants, anti-cancer drugs, bio-pharma products, R&D, biotech bulk drug manufacture, immuno-boosters, contract research, bio-catalysts, industrial enzymes, bio-fertilizers, educational and research infrastructure, and nanotechnology.

The projects pertain to R&D, product development, manufacturing and contract research include projects in bio-pharma, agriculture, marine environment and animal biotech. The investment in these sector is expected to generate employment to 7,300 skilled people. Vapi-Surat cluster, Ankleshwar-Bharuch cluster, Anand- Vadodra cluster, Ahmedabad cluster and Bhavnagar are the main areas of focus for investments. In the year 2000, Rs 300 crore was allotted for the development of biotechnology sector in the state. Investment of around Rs 200 crore, has been made in the period between 2000 to 2006. Investment of around Rs 1559 crore has been earmarked for the development of the biotech sector in the year 2009.

“Strong growth for the biotech industry in Gujarat”

Utkarsh Palnitkar, partner and leader, advisory services for infrastructure real estate and government, Ernst & Young
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What is the biotech scenario in Gujarat? What makes it different from other states?

The landscape of Gujarat biotech industry, consist of more than 80 biotechnology companies, 70 support organizations and around 14 research centers. As per 2007 estimates, annual turnover in biotechnology in Gujarat has been around \$150–175 million. The thrust areas of Gujarat biotech industry include healthcare, pharmaceuticals, agriculture biotechnology, industrial enzymes, bioinformatics, and contract research, marine and environmental biotechnology. Some of the prominent domestic biotech companies include Zydus Cadila, Concord biotech, Cadila pharmaceuticals, Maps India and Intas Biopharma. Players like Sterling Biotech, Zytex Biotech, Bayer Cropscience and Quintiles have started their operations in Gujarat.

The state is rich in biological resources, has been a traditional base for pharmaceuticals, an industry in which biotechnology finds wide applications. All of this is backed by academic infrastructure and strong government support.

How do you see the progress of biotech in the state in the coming years?

The trends clearly forecast a strong growth for the biotech industry in Gujarat. The specific areas of thrust would be biopharma, agri-biotech and marine biotech. Government is already in process for developing specific infrastructure in each of the sub-sectors in the form of industrial parks. Each of these parks would also have biotech R&D incubators, which would help to promote innovation.

The growth would further be fuelled through the fructification of the various memorandum of understandings (MoUs) signed by the international biotech companies with the Government of Gujarat. The increased focus of traditional pharma companies on biotech would also drive the growth of the sector.

“Gujarat entrepreneurship is very receptive and always prepared to welcome change”

Mani Iyer, executive director, Intas Biopharmaceuticals Ltd
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What is the biotech scenario in Gujarat? What are the advantages of the state over other states?

Driven by new enterprise and innovation in recent years, biotechnology sector in Gujarat is witnessing persistent growth. Convergence of a host of enabling factors such as world-class infrastructure, active government support and increased planned investment, both public and private, have imparted dynamism to the sector.

Besides agricultural biotechnology (tissue Culture or transgenic crops), other related areas that hold promise are diagnostics, vaccines, stem cell, animal healthcare and clinical trials. To keep the momentum going and maintain growth, the state government on the lines of Vibrant Gujarat Summit, should actively think of organizing dedicated events on biotechnology sector such as hosting international meetings, seminars, workshops and invite global biopharmaceutical companies to Gujarat. Other states, which have focused in such activities have developed successful platform for their respective companies to go global and reach out to international pharma and biotech companies.

What are your future plans in the state?

Along with the rapid industrial growth in Gujarat, Intas Biopharmaceuticals would continue to work on its planned initiatives. From the beginning, our business approach has been based on developing strategic partnerships and potential collaborative opportunities. Based in Gujarat, our growth was fuelled by deeper penetration in Indian market and simultaneously expanding operations into developing markets of Asia, Latin America, Eastern Europe and Middle East. We expect this growth to be fuelled in coming years by the opening up of European and North American markets for our biogeneric offerings.

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