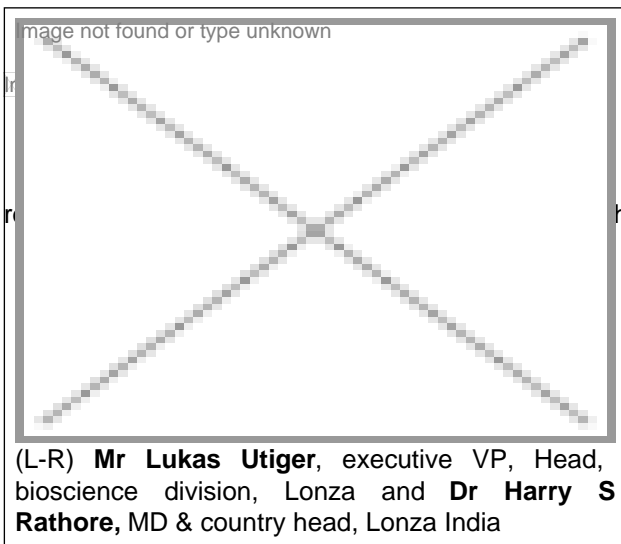


'Lonza is investing Rs.405 cr in India'

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Lonza is one of the leading suppliers to the pharmaceutical, healthcare and life science industries in the world. With a turnover of 129 billion (2.6 billion Swiss Francs) in 2010, it has emerged as the global leader in the production and support of active pharmaceutical ingredients. It has strong capabilities in large and small molecules, peptides, amino acids and niche bioproducts, which play an important role in healthcare products.

The company operates mainly in three divisions: life science ingredients, custom manufacturing and bioscience. In bioscience division, it makes the tools that life science customers use to discover, develop, make and test therapeutics. In this division its products range from cell culture and molecular biology tools for life science research to the media used in the production of therapeutics and tests for microbial detection. In life science ingredients division, it offers products used in nutrition and microbial control in selected industrial markets. In the custom manufacturing division, it is a partner to its pharmaceutical and biopharmaceutical customers for

their manufacturing needs.

As part of its new ventures and expansion plans in India, Lonza recently announced the launch of its upcoming R&D facility in 26 acres of land in Hyderabad. In an interview with BioSpectrum, Mr Lukas Utiger, executive vice president, Head of bioscience division, Lonza and Dr Harry S Rathore, managing director and country head, India, share their focus, future plans

and outlook on the Indian market.

Q Where do you see Lonza in the life science industry?

Mr Utiger: In terms of business development, we have reached a mature stage with many developments in product businesses. On the chemical front, we have come up with biosimilars and on the application front, we are aiming at bioscience for pharmaceuticals. Our focus is selling, providing services, and R&D in India.

Regenerative medicine is the future in life science industry. We focus on using regenerative medicine in areas like cardiovascular, brain health and metabolic related changes. Cell therapy will improve the quality of life. More than 220 million diabetic people worldwide were cured by human embryonic cells. By 2020, we aim to develop complete regenerative cure for diabetes and cardiovascular disease. We also aim to enter organ engineering by 2030.

Q What do you see in terms of potential in the India market?

Mr Utiger: India is a country, which is rich in every aspect. We have lots of opportunities and it is well connected by air, sea and road. We also have well-educated people. In terms of business, the best aspect is the very high import tariffs. Compared to other countries, this attracts each and every company to this country.

In terms of development in India, drug discovery has to develop more. Currently, Lonza is investing \$90 million (405 cr) in India. We have recently launched a new R&D center in 26 acres of land at Genome Valley in Hyderabad. The knowledge center will function as a major global R&D think tank for Lonza's biosciences.

Q What do you consider as the USP of your products?

Dr Harry S Rathore: The Lonza brand in itself is the unique selling proposition. The quality and brand come as complementary to each other. The size as well as financial stability are the other major strengths of our company.

Q What do you consider as challenges for Lonza in India?

Dr Harry S Rathore: There is a dire need for single window approval. We are planning to develop a new facility in the SEZ area and the entire procedure itself takes time. We are capable of completing our project by 2012 but the entire delay is with approvals, time and people. Hunt for talent is also one of the major challenges we need to address.

Q What is your investment plan for 2011?

Mr Utiger: We have a budget of around 1500 cr (300 million Swiss Francs) per year. In the biopharma sector, we are focusing on very substantial investment, in which, major part goes to Asia. India will also be our special focus. Bioscience is another sector where we will invest more. The manufacturing cost factor entirely depends on the demands of the customer.

Q Where do you see Lonza 10 years down the lane?

Dr Harry S Rathore: The company sees good growth 10 years down the lane. We would develop further in the area of nutrition. Docosahexaenoic acid (DHA), an omega-3 fatty acid would be the key product and we are also looking at new compounds. With new technologies, we would create new platforms in the manufacturing area. The company would get closer to customers in several areas and we would also take a step forward in nutrition and biopharma.

Suchitra Pillai in Hyderabad