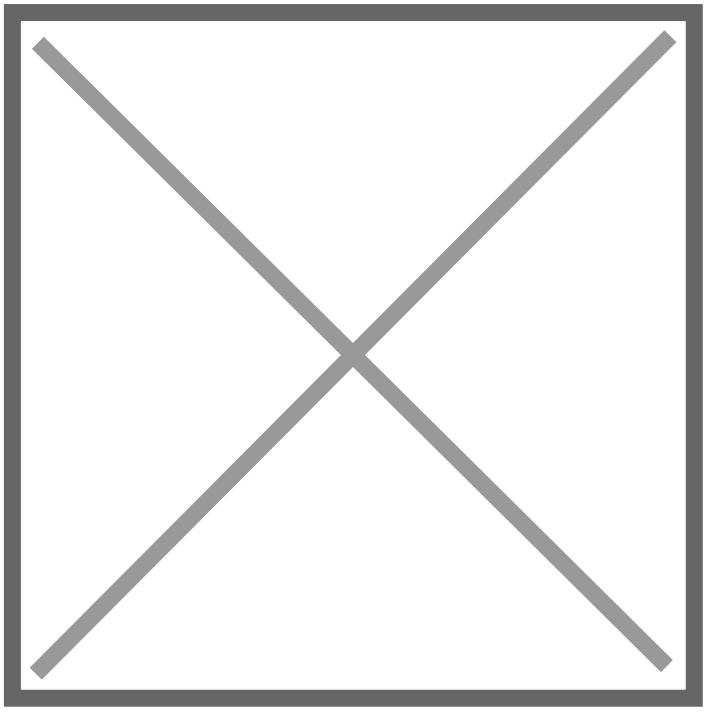
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Outsourcing buzz in Indian biotech bay

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According to a report on clinical research by the Confedera tion of Indian Industry (CII), the contract research service market is estimated to be around $9 billion. "There is an increased global trend towards collaborative outsourcing," the CII report says. The global outsourcing pre-clinical work and clinical research accounts for nearly $13 billion.

Human Genome Inc eager to foray in India

Human Genome Sciences Inc has shown interest in the Indian biotech industry at the Global Partnering Summit organized by Frost & Sullivan in New Delhi this month. Dr William A Haseltine, founder and CEO, Human Genome Sciences, informed that he is looking at opportunities to work together with Indian pharmaceutical and biotechnology companies for the discovery and development of new pharmaceutical products.

"India is showing enormous change in its approach and the biotechnology industry here offers immense opportunities for the domestic as well as overseas firms. Looking at the presence of a vast skilled manpower due to the country's deep commitment to higher education, and the infrastructure for the biotech industry, we are seriously looking at possibilities to partner with Indian firms here," said Haseltine.

According to Dr Haseltine, "Venture capital base has to be strong as capital flows where there is opportunity and India offers it in large quantity. Few people are aware that venture capital investment in the US biotech industry is not from the US alone. So, in India there is a need of establishing strong and aggressive venture capital fund for the biotech industry and research."

"European companies from France, Sweden, among others, form the backbone of capital investment in the US biotech industry and the same can be brought here," he added. Talking about partnerships with Indian firms, Dr Haseltine said, "We use collaborations for the development of gene therapy products, small molecule drugs, and diagnostic products discovered using our genomics-based technology."

Established in 1992 Human Genome Sciences Inc focuses on discovery, development, manufacturing as well as marketing gene-based drugs to treat and cure disease. It has nine products in clinical development, including drugs to treat such diseases as cancer, rheumatoid arthritis, lupus, hepatitis C and immuno deficiencies.

But more importantly, according to Proximare Inc, a business consultant for pharma, biotech and related companies, over $200-million worth work is likely to be outsourced to India over the next 12 months in the field of biotechnology and pharmaceuticals.

"There are around a dozen of biotech and pharma companies that are considering outsourcing their work to India through partners or starting a greenfield project. This can be a motivational aspect for the Indian companies to explore their dimensions. By looking at present scenario, we can predict that around $200 million work in pharma and related areas is likely to be outsourced to India in the next 12 months," said Nailesh A Bhatt, managing director, Proximare. "The companies looking at India for outsourcing are in the $50 million to $1 billion-plus category in terms of revenues," he added.

According to Kiran Mazumdar-Shaw, chairperson and managing director, Biocon, the biotechnology industry in India holds a $9 billion market potential by 2010 across various industry segments, given the huge knowledge pool, a vibrant pharmaceutical industry and rich biodiversity that the country is showing. "The industry is expected to grow at 25-30 per cent per annum from the present level of $400 million," she emphasized. "While internationally, this sector has witnessed significant investment and venture capital activity, India is yet to emerge as a key player," Mazumdar-Shaw said at a Confederation of Indian Industry (CII) seminar. However, India is fast emerging not only as a destinationÃ¢â?¬â?the prime source as well as the market for new generation pharmaceuticals, biotech products and diagnostics, but also as an international hub for contract research and manufacturing, she added.

More and more pharmaceutical and life sciences companies are adopting complex networking, collaborative and outsourcing strategies in order to blend cost efficiencies with maximized innovation in the drug development cycle. Indian contract research organizations are becoming major players in this billion-dollar industry. This is one of the main reasons for the

leaders of a renowned forum like "World Economic Forum" to incorporate pharmaceutical outsourcing subject into their agenda.

Since 1986, the World Economic Forum and the Confederation of Indian Industry (CII) have held a yearly India Economic Summit in New Delhi. With hundreds of senior business leaders from India and abroad, foreign public personalities and members of the government and senior officials, the gathering is now acknowledged as the most important international business event in India.

The list of companies considering outsourcing work to India include small to mid-sized pharma companies and biotech companies besides major pharma companies.

Some of Proximare's clients include Merck, Bristol-Myers, Squibb, Warner-Lambert, Colgate-Palmolive, Sumitomo, InnoCentive and Pfizer. "Most of our existing clients are keen on setting up research and development (R&D) work in India," Bhatt said.

The high quality knowledge base and low infrastructure costs are some of the key attractions of Indian biotech industry for the global audience. But it is time to understand India's own skill set for its development. Actually, it is a crucial aspect for drivers of the India's biotech ship.

Faiz Askari