

Quality at an affordable price is a challenge

11 October 2011 | News



	<p>Dr SD Ravetkar Senior director, Serum Institute of India</p> <p>The author has been with Serum institute of India since its inception. He has 38 years of experience in the biotechnology industry's various aspects, like production, QC, projects and R&D. He has also chaired the Innovation Panel of Confederation of Indian Industry, Pune Chapter.</p>
--	--

The rapid acceptance and unexpected commercial success of Prevnar and Gardasil changed the vaccine market scenario around the world. Following this, pandemic flu threats created awareness among people about primary prevention of infectious diseases. Also, the government authorities in the developing countries have become more proactive in satisfying the unmet needs of vaccines, which incidentally have the highest demand in the world. However, because of low affordability in this population and high prices, people were deprived of the benefits of high innovative vaccines.

Challenges before companies

- A major challenge before biotechnology companies, in terms of marketing, has been manufacturing quality vaccines at affordable prices. Highest standards required for manufacturing and long gestation period from table to market fueled with very high capital costs and clinical trial costs make this task very challenging.

- Availability of technology is a major issue. Conducting basic research and developing technology is a barrier for vaccine developments as they affect the cost of vaccines.
- People talk about a worldwide vaccine market of around \$20 billion. These figures are based on ruling prices in the US and the EU. With developing countries having a successful track record of selling new innovative vaccines at 1/8th the price, the market becomes much smaller in terms of value.
- One outcome in the last decade has been the increased number of manufacturers, which has put a lot of pressure on price. This is good news for the common man who has more choices and affordable drugs, but the same has become a challenge for the biotech companies.
- In the developing world, particularly in India, most companies try to imitate than innovate. We need more of Dendreon-like success stories where the company is predicted to achieve revenue of \$3 billion from the sale of one product.
- Biotech companies need to educate and convince people about weighing the dangers of contracting diseases versus risks, associated with immunization. The swine flu outbreak was a classic example where people did not understand the fatal nature of the disease and preferred to volunteer to contract the disease than get vaccinated.
- Despite India becoming the hub of vaccine manufacturing, the government is still silent about the use of newer vaccines. Bureaucrats are still debating the need of the vaccines than trying to study the world scenario and learning from the experiences of other countries.