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Everyone seems to be fascinated by the year 2010. I really do not know what is so special about it. Okay, it is 5 years hence from now. If we still believe in 5-year plans, there may be some meaning in it. But industry leaders started talking about 2010 in 2004 itself. Was it a 7-year plan? Or turn of the decade syndrome?

I have been watching the estimates go up and down. In 2004 they were saying the biotech industry would be \$10 billion industry by 2010. By 2005, the estimates came down drastically by half. Now they say, it would be \$5 billion with a million jobs. As we go along 2006, I am afraid there will be further downward revision of figures.

The estimates should have been based on ground reality; current figures pertaining to biotech industry. I wish someone stands up and tells me how it is called \$1 billion (some say it is \$2 billion) industry right now. If someone supplies bricks to build a biotech facility, can you call him a biosupplier or not? Can you take his annual sales under biotech industry statistics or not? If a beauty product manufacturer opens a 'biotech' wing to sell a hair-removing cream labeled 'herbal', should we or should we not take total turnover of his enterprise under biotech industry? Will there be any distinction between low-end

biotech and high-end biotech. If we call curdling milk and fermenting toddy also as biotech, there would not have been any need to scale down our earlier estimates of \$10 billion market by 2010. Every housewife and toddy-tapper could have been branded as a biotech professional.

BioSpectrum conducted Biotech CEO summit six months ago in Hyderabad and suggested certain measures to reach the target: It said there were three things the industry should do: United biotech front through collaborations and alliances, emphasis on affordability of biotech products; healthy competition and self regulation and sell the "India Biotech Story" and every CEO is an Indian biotech brand ambassador.

Tell me how far we have moved forward in this direction. Is there healthy competition and self- regulation among us? Are we not coming out with the same product and cutting into each other's market? Are we not slashing down the prices irrationally to drive out the fellow-entrepreneur? In the process, collectively we are bringing down the turnover figures and how does this help reach the magic figure of \$ 5 billion?

BioSpectrum had some agenda for government too. It said there were three things the government should do: 1) Efficient regulatory system, harmonized international standards and financial support to early-stage biotech start-ups 2) An Indian Bayh-Dole Act to spur innovations in biotech research in academia 3) National and global awareness campaign to promote the "Indian Biotech Advantage" in manufacturing, clinical trials and research and support to biotech companies for participation at global events.

How far has the government achieved these goals. They are still working on regulatory systems. The minister for science and technology, Kapil Sibal has announced far-reaching steps for the growth and development of the industry. He is suggesting patent rights for the scientists, a handshake between industry and academia and also setting up a clinical trial center. But how far the state governments are going to convert these efforts into reality?

The state and central governments are indirectly investing in biotech enterprises through their funding agencies. To keep them afloat and recover their investments, they should help the companies to sell their products at least through government-funded projects. But, in the name of globalization, the governments are resorting to international tenders and neglecting the industries in their backyard. In such circumstances, how can we achieve our targets and who will be inspired enough to enter into this industry?

Another reason for flaunting \$5 billion figure is opening of biotech parks. As per the reports, by 2010 India will have 10 new biotechnology parks in the public-private partnership mode. The new parks will come up in the states of Gujarat, Uttaranchal, Kerala, Himachal Pradesh, Uttar Pradesh, Punjab and Delhi. Hyderabad, Bangalore, Mumbai and Pune already have biotech parks. And a recent article in Nature says that these parks are serving the cause of realtors more than biotech entrepreneurs. If one dispassionately analyzes the business activity going on in biotech parks, he would not too optimistic about 2010 projections.

If you consider agri-bio tech, the Monsanto episode has sown seeds of suspicion in the minds of farmers about anything called biotech. If at all biotech industry reaches the \$5-billion mark by 2010, it could be only through agri-biotech since in our country, 70 percent of the population is dependent on agriculture. Biopharma also would get a good chance if it comes out with biocondom. Since all the government funds are spent asking people to break silence about AIDS the industry should think on developing bioproducts in that line. Or we should start developing genetically engineered dosas to please the finance minister who reduced excise duty on dosas by half but retained 16 per cent duty on medicines.

But developing a new product is also not that easy. We have to learn a lot from the US. As a business analyst points out, "Despite more advanced biomedical research base in the 1960s and a larger number of European biotech companies, major developments have occurred in the US because of strong and persistent government funding, favorable policies, availability of venture capital and an entrepreneurial workforce. The US Government established the National Institute of Health (NIH) as the primary funding agency and on an operational premise, it is decentralized and enabling. Approximately 52 percent of the US R&D expenditure is borne by the government, which contributes a further 25-75 percent of the cost of a grant as an "overhead". A percentage of the NIH budget is set aside for Small Business Innovation Research (SBIR) grants, to fund small business development of biomedical discoveries. In addition, the government also permits local units like universities and institutes to develop independently. The Bayh-Dole Act states that institutions receiving US research grants may own the intellectual property generated from such research. Local ownership fosters entrepreneurship as well as a strong incentive for university-industry research collaborations. Although India has the core ingredients for a successful innovation system, to maintain development of its biotech sector, progress is warranted in several areas."

The impetus for innovation should come from the government and mindset of the bureaucracy should be tuned for the development of the industry. We should leverage our scientific talent and cost-effective workforce to promote contract

research and contract manufacturing with multinationals. This would help our entrepreneurs as well as scientists to catch up with latest trends in the field. The Union Government and the state governments should help create the right climate for investing in biotech companies. But this year's budget did not say a word about promoting R&D nor excise reduction for the pharma industry. Chidambaram referred to biotech as sunrise sector in the last year's budget speech. But he did little this year to help the sun to come up on the horizon.

This being the present scenario, to talk about reaching \$5-billion mark by 2010 would create unnecessary hype and confuse entrepreneurs as well as investors. By harping on these fantastic figures, we will be acting as salesmen to biotech colleges to enroll more students and collect bigger donations.