

“Direct subsidy is poison”

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How will the new developments like India's adherence to the TRIPS regime and a national biotech policy impact the Indian biotech?

The first is much more important than the second. There is only so much that the government can do. The government can create a legal framework and allow an institutional framework. What the government should not do is give direct subsidy ever. Direct subsidy is poison for any new industry. All you have to do is to witness what happened in Germany where there is a massive direct subsidy. I call that putting fertilizer on rock. You get green shoots, which then wither and die and are discouraging for those who come after.

Government should never put money into private ventures. But what they should do is create biotechnology parks, create infrastructure, create institutional framework, stock options where professors work for private companies, formulate and implement a number of policies that can enable the biotechnology industry. All this is very important. Without it you cannot have an industry.

The Department of Biotechnology has to carefully analyze the best practices around the world. As I said, direct subsidy is a poison and creating legal structure and framework is rightly needed. Give people the opportunity and they will take it. You give people the opportunity; you don't give them the money to take the opportunity!

The current reforms are sending very positive signals and everybody in February is flocking to India to see what is going on. Lots of people are coming to see what is happening. And it is a wonderful moment of opportunity for India—largely because of patent reforms. So a change like that can create an enormous difference in world perception. Compare this scenario with that

in Brazil, which is going in the opposite direction. They have the potential to become "India" but they will not be unless they change their intellectual property laws. The change in IPR is enormously important in biotechnology and pharmaceutical industry. It is a great example of farsighted government policy in a difficult environment.

What should be the business model for a start-up biotech entrepreneur?

There is no specific model. In fact, there are many models. First and foremost the most successful short-term model will be a service model in which service is provided to national and international enterprises. Those can become the seat for successful more integrated global businesses. There will be some opportunity for start up proprietary businesses as well, but the areas must be selected carefully and must be targeted for region specific problems initially.

How does India compare with China in biotech?

India has many advantages that China does not have at this point of time. India has a rule of law that is much stronger than that in China. India now has intellectual property protection, which is much stronger. The country has a population that is trained to be more bureaucratically responsive, which is very important for regulatory issues.

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