

Biocon CMD refrains from commenting on Biocon-Pfizer deal speculation

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Biocon Ltd's chairman and managing director Kiran Mazumdar Shaw has refrained from making any comments on speculation on the Biocon-Pfizer deal reported in a section of the press on the possible marketing alliance. "I refrain from commenting on speculation and rumours", Shaw said.

Meanwhile, industry experts commenting on the news of the Biocon-Pfizer deal on the possible marketing alliance said, "The news has come in at an opportune moment as India's biotechnology major has introduced its new and fifth division to further strengthen its presence in the market".

With Biocon setting up a dedicated division for Comprehensive Care Division focusing on critical illnesses like nosocomial infections, post surgical complications, trauma and medical emergencies, the multinational companies view it as an attractive partner to forge strategic alliances.

The new division would roll out boutique drugs targeted at serious diseases like septicaemia, nosocomial pneumonia and other acute hospital infections. These are based on Pneumocandins which is a class of Echinocandins; Lipopeptides, specialised Cephalosporins and Carbapenams. These products are viewed by medical experts as first choice and first line of therapy for infectious and critical illness.

The novel critical care portfolio to tackle infectious diseases is surely a bait for multinational companies like Pfizer looking at striking a marketing alliance. There is hardly any company in India which has a comprehensive end-to-end capability in research, manufacture and conduct of human studies, stated sources.

With the generics market saturating, global drug majors are scouting for biotech drugs not only to expand its product portfolio but also stay ahead of the competition. This is where Biocon fits the bill for multinational pharma companies.

In fact in 2008, as part of its portfolio development efforts, Pfizer set-up the Established Product Business Unit which only deals with off patent products, new molecules including generics and injectables to be marketed globally. Here Pfizer looks at Indian pharma & biotech majors to offload some of its products under a marketing alliance. The effort allows the global major and Indian company to get the best out of the situation, to help them enter the emerging and difficult to access markets.

For instance, in July 2008, GSK inked an alliance with Strides to market its range of branded generics globally. Likewise, in March 2009, Pfizer entered into a pact with Aurobindo.

The biggest attraction in India is the highest number of US-FDA approved plants outside the US and growing ANDA submissions. Therefore scouting for potential alliances will curtail the stiff resistance from Indian majors in the wake of saturated R&D pipelines, blockbusters going off-patent, immense pricing pressure, huge demand for generics in the wake of healthcare reforms in US, Europe and Japan.

India has been home to several acquisitions by global majors beginning from Matrix - Mylan in August 2006; followed by Ranbaxy - Daiichi Sankyo in June 2008; Dabur Pharma - Fresenius in August 2008; Pfizer (Animal Health Business and Vetnax Animal Health Ltd of Ranbaxy in June 2009; France-based Vetoquinol SA and Wockhardt Animal Care Subsidiary in June 2009; Abbott Laboratories and Wockhardt Nutrition Business in June 2009; Sanofi and Shanta Biotech in July 2009; US-based Hospira and Orchid in December 2009 and Abbott - Piramal in July 2010.