

DoP to set up NFDC to help SMEs to grab market with many patent expiries expected soon

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With large number of drugs losing patents in the near future throwing up huge opportunities for Indian manufacturers of generic formulations, the Department of Pharmaceuticals (DoP) wants to set up at least one National Formulation Development Centre (NFDC) to assist the small and medium scale units to grab a decent pie from the emerging world market.

Unlike the large-scale players who are better placed to cash on the boom, the SME sector is placed behind in the competition due to the huge overhead expenses needed additionally to manufacture the formulations which are source of increasing production in the domestic and export market, according to the Department.

A common facility in the form of NFDC will help them in developing new formulations instead of extending separate financial assistance to the units, the Department said, while proposing the idea. "It is important in the context of the fact that drugs worth 300 billion US dollars are going to lose their patent in the next five to seven years. As a result, they would come under the generic domain and would be available for manufacturing by any unit."

"Indian pharma sector can tap this opportunity only if the SME pharma sector is able to grow itself to develop these generic formulations and produce them not only for domestic consumption but also for export. For this, they need technological help and infrastructure assistance in the form of public-private partnership," it said.

The DoP is pushing the idea of setting up a national formulation development centre and a few Regional Formulation Development Centres (RFDC) in the important and identified cluster growth areas. The financial requirement for the same is being worked out, sources added.

The DoP has already approached the Planning Commission for implementing a Cluster Development Programme for Pharma Sector SMEs (CDS-PS) to enhance quality, productivity and innovative capabilities of the sector with a total cost of Rs.300 crore. The regional formulation centres will be clubbed with this programme under the next Five Year Plan.