

Parliamentary panel finds 10 to 12 Indian pharma cos seriously into new drug discovery research

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The Parliamentary Standing Committee on Chemicals and Fertilisers assessed that the research and development in the Indian pharma industry was picking up and at least 10 to 12 leading companies are into new drug discovery now.

Some of them have increased their R&D spending to four to 10 per cent of their turnover compared to the mere average of just 2 per cent earlier. The drug and pharmaceuticals industry as a whole has the potential to grow manifold and contribute significantly to the global drug requirements, particularly in the generic segment, according to the presentations made at a meeting of the panel.

The committee also took views of officials and stakeholders on the subject of 'National Policy on Petrochemicals vis-a-vis Growth of Petrochemical Industries,' apart from assessing the health of public sector and private sector pharma industries.

"It is gathered that a few products are expected to go for clinical trials in the next few years in the areas of anti-infective, anti-cancer and lifestyle segments. With the application of product patents in case of pharmaceuticals, the confidence levels of Western pharma companies towards India for contract R&D work is going up. While Indian companies by themselves are also conducting clinical trials in India, due to availability of upgraded infrastructural facilities, the country is becoming a hub for trials for the MNCs outside," the panel was told.

The industry has witnessed a robust growth over the past few years moving from a turnover of about \$1 billion in 1990 to over \$20 billion in 2010 of which the export turnover is around \$8 billion. The industry ranks third in terms of volume and 14th in terms of value. India has 22 per cent share in the 84 billion dollar world market of generics, according to the official figures presented before the panel.

"While the pharmaceuticals exports are growing at over 17 per cent over the last three years, the domestic market is showing a growth of 14 to 15 per cent during the same period. The domestic market has touched Rs.60,000 crore sale in 2010 from Rs.39,989 crore of 2006-07," the statistics said. The panel also viewed that almost 60 billion dollar worth medicines are likely to come off patent in the next few years and India is poised to emerge as a significant player in the area.

The panel also discussed issues relating to the policy measures, the performance of PSU drug manufacturers, their revival plans, concerns of the private industry, the Schedule M constraints, patent issues, acquisition of Indian companies by multinationals etc. The committee also took inputs from the stakeholders represented through some associations.

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