

Strong policy support, incentives are better option to pharma sector than FDI cap: Dr G G Nair

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Pharma industry wants the government to give more incentives to this sector so that it would not be forced to look at the foreign direct investment (FDI) route for growth. Industry experts have observed that it is the lack of inadequate incentives and poor support from the government that has triggered many to consider the FDI route in the first place.

Dr Gopakumar G Nair, intellectual property and patent and trade mark attorney at Gopakumar Nair Associates pointed out that the Indian pharma sector is one of the very few sectors in the country that has risen due to its own entrepreneurship without any outside support. He added, "Even today most of the initiatives are taken by the industry with minimal support from the government. The Indian government should take efforts to realise the need of the industry and formulate a domestic strategy or policy that is aimed at boosting this sector."

He stressed that enforcing cap on FDI will not address any issues and only will create more confusion and fear in the industry. "What is essential here is that the government needs to realise the problem and address it. Today many look at FDI because they do not have other option. Restricting FDI is not an option, as at some level FDI investment is essential for the upliftment of the sector but it should be controlled. To address this it is imperative for the government to provide a conducive environment for the development of this sector by way of industry friendly policies," informed Dr Nair.

He pointed out that since the government have not prioritised the needs of this sector, both pharma and chemical industries are at present witnessing very few activities that may trigger the growth of the industry. "Look at the condition of the government institutions today. They are best examples of misgovernance on the part of the government," Dr Nair said.

He warned that if the government maintains the same lack lustre attitude towards this highly competitive sector the time may not be too far when India will lose its pharma market to China which has already taken leadership in the chemical sector.

Further he added that it is also important for the Indian government to analyse on why the economy of the western world failed so that the same mistakes should not be repeated while framing our own domestic strategy.