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Global biotech firms seek partnerships in India for bigger gains

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<http://economictimes.indiatimes.com/news/news-by-industry/healthcare/biotech/biotech/Global-biotech-firms-seek-partnerships-in-India-for-bigger-gains/articleshow/6018217.cms>

BANGALORE: The global biotechnology industry is moving towards strategic partnerships in a bid to create faster and cost-efficient means of drug discovery. The Indian advantage — demonstrated through high-quality scientific talent pool, lower operational costs, development speed and access to a large market — is drawing big firms to rapidly externalise their R&D.

Five years ago, big biotechnology firm collaborations in India were restricted to fee for service models and it is now evolving to those based on co-development. Take for instance, Bristol-Myers Squibb's collaboration with Biocon, which has helped it to considerably reduce the time involved in delivering active pharmaceutical ingredients.

“Partnerships now range from discovery to early clinical development, which have significant upsides even for the partnering firms,” Dr CSN Murthy, Aurigene Discovery Technologies CEO, said on the second day of industry event Bangalore India Bio 2010.

Drugmaker AstraZeneca is another case. AstraZeneca is currently altering its R&D strategy by slimming down operations in the US and Europe and reinvesting it in Asia across India, China and Japan. “We have elevated our expectations on the externalisation of R&D to 40% of our products from 25%,” said Jit Patel, director-strategic planning, business & development at AstraZeneca R&D, USA.

It recently partnered with Ahmedabad-based Torrent Pharmaceuticals to market branded generics and has signed a research collaboration with Jubilant Biosys in 2009. Jubilant Biosys operates through a hybrid model of a contract research firm and a pure-play biotech.

“We wanted to create a scale of innovation and not one of capacity,” said Sri Mosur, CEO and president, global discovery & development of Jubilant Biosys. This shared-risk model allows it to impact the product pipeline of a drug discovery major and also imbibe skills related to disease biology as the Indian talent pool, so far has been largely proficient only in chemistry.

“The Indian advantage exists even at the innovation level. But Indian companies need to identify the problems that big firms face and effectively sell themselves as solution providers for the same,” Mr Mosur added.