



## PHARMACEUTICALS EXPORT PROMOTION COUNCIL

(Set up by Ministry of Commerce, Govt. of India)

COPY

Date : 10-09-2010

News / Story reproduced with thanks to: **Times of India**

### **Indian market Abbott's prime focus**

**Rupali Mukherjee, TNN, Sep 10, 2010, 02.44am IST**

MUMBAI: After the \$3.72-billion acquisition of Piramal Healthcare in May, US-based Abbott plans to make India a "prime focus target", outperform the industry growth of 15% and mop up a turnover of \$500 million in India by 2011. Sales of Piramal's domestic formulation business acquired by Abbott stood at around \$430 million for the year ended March 2010.

Abbott's acquisition of Piramal's domestic formulation division in May catapulted the lesser-known MNC among the top 10 pharma companies in the country, in terms of market share in the organized domestic retail market, surpassing the generic major, Cipla.

Piramal Healthcare Solutions will continue to operate as a standalone business, and will not be merged with the existing Abbott India operations. The acquired business is split into two: healthcare solutions and true care units.

"These are proven business model and working very well. We don't need to change them. Also, it can be disruptive for these businesses. So they will continue as a separate business under the Established Products Division," Michael J Warmuth, senior vice-president of the recently created Established Products Division (EPD) told TOI. He is responsible for the acquired unit.

Worldwide, EPD was formed to focus on branded generics and maximize the opportunity in emerging markets, which contribute 20% of the global major's sales.

The two business units — healthcare solutions and true care — will continue to be headed by Sudarshan Jain and Neeraj Garg, respectively.

Talking about Abbott's strategy, he said, "India is a prime target for us. We want to focus on India first as it is growing at 15% year-on-year, and outperforms the industry growth at over 20%. Later, we will look at export opportunities to the overseas markets."

How long it will take for the multinational to recover its \$3.72 billion investment in India? Warmuth said that there was no forecast available and added, "In terms of sales, Abbott estimates the growth of its Indian pharmaceutical business to approach 20% annually, with expected sales of more than \$2.5 billion by 2020."

The company has retained all employees of the acquired unit and has manpower of 7,500-odd people, with an overall staff strength of 10,000 across all its businesses in the country. Besides the focus on branded generics portfolio (generics sold under a brand name), Abbott is also keen on innovator or proprietary drugs from India. But these are outside the purview of the EPD, which only focuses on branded generics.

"We also have a strong R&D pipeline, and will see how to build the business by identifying unmet commercial needs," he said.

Though Abbott has been operating in India since 1910, it has become active over the last few years with the parent acquiring Solvay last year. The Solvay deal gave Abbott a better foothold in emerging markets in eastern Europe and Asia, where the US company has limited sales.

Direct link to the News/Story:-

<http://timesofindia.indiatimes.com/business/india-business/Indian-market-Abbotts-prime-focus/articleshow/6527516.cms>