



## PHARMACEUTICALS EXPORT PROMOTION COUNCIL

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### **Singapore pact: Thumbs-up for Indian generics**

P.T. Jyothi Datta Mumbai, May 11

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<http://www.thehindubusinessline.com/2010/05/12/stories/2010051252750400.htm>

Singapore's decision to fast-track approvals for Indian generic drugs, allowing them greater market access into the country, is being seen as a quality endorsement of Indian generic drugs.

Though Singapore is small in terms of market-size, the development is significant, coming at a time when Indian generic drugs are fighting efforts in some quarters across the world to equate them with fake medicines.

Singapore's generic thumbs-up also comes as concerns abound on the different Free Trade Agreements that India is in the process of formalising with other countries and the Intellectual Property related impact these economic agreements could have on generic-drug makers.

Generic drugs are off-patent medicines or drugs similar to original drugs, but cost much less. Under pressure to keep healthcare costs down, several governments across the world, including the US, Germany, Japan and now Singapore are looking at getting generic drugs onto their programmes.

The Singapore pact is good, as it increases awareness on the role of generic drugs, observed Mr D.G. Shah with the Indian Pharmaceutical Alliance – a platform for major Indian drug firms.

As part of the Singapore pact on Tuesday, Singapore's Commerce Minister said that the approval of Indian generic drugs, to be able to sell in their market, would be fast-tracked – provided, it had regulatory approvals from the US, Canada, the European Union, or the UK or Australia.

Several Indian companies have approvals from the US, UK, etc and so it is a good move, observed Dr Swati Piramal of Piramal Healthcare. For instance, India has the highest number of manufacturing facilities approved by the US regulator, outside the US.

Market

The pact will benefit Indian generics players, established globally as low cost, high quality suppliers of drugs, said Mr Hitesh Gajaria, KPMG's Executive Director. "Until now, Singapore's pharmaceutical market has been dominated by branded drugs and generics have accounted for a fairly small share of the total market," he observed.

The generics market, estimated at \$58 million in 2009, has a mere 10.3 per cent penetration. However, as developed economies worldwide are gradually shifting towards the use of generic drugs to control steeply rising healthcare costs, Singapore too is following suit, he observed.

Hence, the use of generics drugs is likely to increase going forward and this market is expected to increase to \$82 million by 2014.

Price Waterhouse's India-head for pharmaceuticals, Mr Sujay Shetty, said, Singapore has some reciprocity on regulations with other markets like Australia, so the latest development is in line with the environment of harmonised regulations.

Singapore also has quality healthcare institutions and hospitals and that could provide an opportunity for Indian generics, he added. The total pharmaceutical market in Singapore is estimated at \$600 million, he said.