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Teva exec's remark creates furore in Indian pharma

Joe C Mathew / New Delhi June 22, 2010, 0:57 IST

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<http://www.business-standard.com/india/news/teva-exec%5Cs-remark-creates-furore-in-indian-pharma/399023/>

Domestic drugmakers — used to frequent India bashing by research-driven global pharmaceutical majors for alleged infringement of patent rights or quality issues — were in for a shock last week when the world's largest generic company, Israel's Teva, made allegations against the industry practices in India and China. Teva Europe's President and CEO, Gerald Van Odijk, said the analyses of prices of Indian and Chinese drug companies showed they were cutting corners and wanted European drug regulator's to conduct dawn raids on facilities in these countries.

London-based pharma journal Scrip on June 10 reported that Odijk made these observations while participating in the annual meeting of the European Association of Pharmaceutical Full-line Wholesalers (GIRP) in Cannes.

Scrip reported that Odijk, citing recalls, asserted generic pricing had taken its toll on quality and stated Teva did not have presence in India or China as “you would never sit on a plane if you thought that the parts were coming from a dodgy factory somewhere that you didn't know. So, why do we accept this for medicines?” Contradicting his company was not present in India, industry officials said it did outsource lot of material from the country.

“Teva has a significant presence in India. It acquired Regent Drugs in 2003 from the JK Group. Substantial investment has gone into the active pharmaceutical ingredient (API) or raw material facility, including the setting up of an research and development facility that was inaugurated in December 2005,” D G Shah, secretary general of the domestic drug industry lobby group Indian Pharmaceutical Alliance (IPA), said. In 2008, Teva had acquired over 100 acres of land near Gwalior to build an API manufacturing facility. Teva had said that it considered India an interesting geographical region and was looking to broaden its activities in the country.

Industry officials said Teva was sourcing raw materials from several leading Indian companies, including Cipla, Dr Reddy's and Glenmark and finished formulations from companies such as Emcure, Micro Labs and IPCA.

The alleged quality and pricing concerns expressed by Teva has not deterred any of the foreign multinational companies from sourcing raw materials and ready-to-use medicines from India. Almost all foreign drugmakers, including GSK, Pfizer and Daiichi, have alliances and investments in India to source medicines for their global supplies.