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News / Story reproduced with thanks:- **Pharmabiz**

US-based Alvogen identifies India as its API sourcing centre

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Nandita Vijay, Bangalore

Direct link to the News/Story:-

<http://www.pharmabiz.com/article/detnews.asp?articleid=55660§ionid=>

US-based Alvogen has opened an active pharmaceutical ingredient (API) sourcing office in India which will kick off operation in July. Currently, it is in the process of hiring the experts to support the operation. The company has also opened up a clinical research organization Norwich Clinical Services last week in Bangalore.

According to Robert Wessman, executive chairman, Alvogen which is focused on development and production of complex generics will scout for high quality APIs across global markets. India with its chemical expertise, home to highest number of US FDA plants outside the America and known for its timeline delivery schedules attracted us. We decided to select India as a sourcing point for a range of APIs.

The US generic major which already pumped in US\$ 5 million in the country to open up the Norwich Clinical Services has also managed to set up the sourcing office with this premises in Bangalore.

Indian companies have already been a key supplier to global pharma majors. The sourcing office here will identify the APIs for its internal consumption. These will be shipped from here to US and Eastern Europe, he added. To begin with, Alvogen intends to hire a team of five for the sourcing office here. The team will comprise experts on APIs imbued with considerable knowledge on know-how and network of suppliers including price negotiation, he said.

Present global scenario indicates massive pricing erosion of generics as these drugs move towards maturity, the profitability is impacted. We need to devise strategies to make up on the cost loss and look at such efforts to source from quality, dependable supplying locations which are affordable, said Wessman.

With APIs constituting 85 per cent of the cost of a drug, there need to be rationalization in identifying cost-effective mechanisms to ensure profitability from its supply chain. India has been opted for three factors beginning with its assurance of supplies, consistent quality and competitive pricing, said Wessman.