

India Inc. attracting biotech investments

09 April 2007 | News

image not found or type unknown



India Inc. attracting biotech investments

Over the last few years, India has become a favored destination for global companies to set up their biotech facilities and expand their presence.

Just in the last three months, several announcements have been made by global companies in the life sciences as a whole. For example, Syngene International, a subsidiary company of Biocon, has entered into a research partnership with Bristol-Myers Squibb to provide R&D services for discovery and early drug development. They will have a dedicated research facility at Biocon Park in Bangalore for this. This is one of the largest collaborations of its kind for Bristol-Myers Squibb.

Nicholas Piramal India Ltd (NPIL) and Eli Lilly and Company (Lilly) signed a new drug development agreement to develop and, in certain regions, commercialize a select group of Lilly's clinical drug candidates that span multiple therapeutic areas. NPIL will be responsible for the design and execution of the global clinical development program, including IND-enabling non-clinical studies and human clinical trials up to Phase III. NPIL would receive a call-back payment, and potential milestone payments of up to \$100 million, plus royalties on sales upon successful launch of the first compound.

AstraZeneca inaugurated a \$15-million state-of-the-art global process research and development laboratory (PR&D Lab) in Bangalore on March 21, 2007. This is the company's fourth PR&D facility and the only one outside of Europe. It was declared operational by AstraZeneca CEO, David Brennan.

GlaxoSmithKline (GSK) and India-based IT major Tata Consultancy Services have signed an agreement to establish a global drug development support center in Mumbai, to help meet the demands of the growing GSK pipeline. Under a multi-year multi-million dollar contract, TCS will provide a variety of services in clinical research, including clinical data management and clinical submissions support.

These are just a few examples to illustrate the growing confidence of global companies in Indian partners and in India. The reasons are obvious. India today has strong patent regime, governments supporting the industry, favorable policies, good infrastructure, and talent, among many things.

Dr Francis Cuss, senior vice president, Pharmaceutical Research Institute, Bristol Myers Squibb, who laid the foundation stone for the facility at Biocon, said, "The company has mainly collaborated with Syngene to access the abundant talent that is available in India. This collaboration will also help us to sustain and boost our product pipeline."

Commenting on the reasons for partnering with TCS, GSK's Dr Amber Salzman, senior vice president, development operations, said, "The strategic partnership with TCS represents a significant step towards GSK's vision of leveraging key talent globally to develop innovative medicines and GSK has chosen TCS because of its strong record in knowledge process outsourcing, underpinned by operational excellence. I am confident our collaboration will benefit both partners and, most important, help to deliver new medicines to patients."

The engagements with global companies are a clear endorsement of the strategy of Indian firms to focus on services supporting the drug development processes and being global players. And the governments are supportive to the investments through infrastructure support and hassle-free clearances. For example, a "Knowledge City", which will house over 7,50,000 people engaged in cutting edge research in high tech areas and life sciences will come up in the suburbs of India's Silicon City Bangalore within 18 months. Another "Knowledge City" is being planned at Mohali spread over an area of 350 acres, which will comprise the National Institute of Nanotechnology, Indian Institute of Science Education and Research as well as an agri-food cluster. The DBT is involved in planning the agri-food cluster.

The DBT will also support creation of incubators in biotech parks promoted by a private industry or through public-private partnership in the form of grant up to 30 percent of the total cost or up to 49 percent in the form of equity. A central body, Biotechnology Parks Society of India (BPSI), is also proposed to be set up for the promotion of biotechnology parks in the country.

India already offers a good infrastructure. ICICI Knowledge Park and Shapoorji Pallonji Biotech Park are located in Genome Valley, Hyderabad and spread over 500 acres of land. The Andhra Pradesh government has also set up a marine biotech park on a 218-acre site near Visakhapatnam. Then, there is 200-acre Agri Biotech Park in the campus of the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT). This park boasts of an Agri Business Incubator.

Even Karnataka is setting up a biotech park located in the outskirts of Bangalore city. The first phase is on 90 acres of land and the second phase will have 106-acres. Further down south, there is Tisel Bio Park near Chennai, the capital city of Tamil Nadu. With 88 percent occupancy, the Park is looking at expanding capacity. In the coastal state of Kerala, the Kerala Industrial Infrastructure Development Corporation (KINFRA) is bullish on biotech infrastructure creation. Its biotech park near Kochi is a combination of Technology Incubation Centre and a Business Enterprise Zone.

Moving up, in the west, there is a 110-acre International Biotech Park near Pune. This \$55 million investment is a joint venture project between the Maharashtra Industrial Development Corporation (MIDC) and TCG Urban Infrastructure Holding Ltd (TCGUIH), a Chatterjee Group Company. Akruiti Nirman and the TCG Group will develop a 700-acre biotech park at Savli near Vadodara in Gujarat. A special purpose vehicle (SPV) will also include the Gujarat government as a minority stakeholder and Akruiti Nirman is expected to bring in Rs 200 crore as investment.

In north India, Uttar Pradesh has made its move with the Lucknow Biotech Park. There is activity in Uttaranchal as well. This state is known for its rich biodiversity and is looking ahead at cashing it. In line with the Draft National Biotech Strategy other Indian states including Haryana, Himachal Pradesh, Madhya Pradesh, Gujarat, Rajasthan, Punjab, Orissa, West Bengal, Chattisgarh-all have definite plans and are forging ahead, creating infrastructure to leverage on the emerging biotech industry dynamics.

The thrust today is on public-private partnerships.