

Constant dialogue key to collaborations

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CEO Conclave provides platform for German trade officials and biotech and pharmaceutical companies to interact and understand the nuances of expanding business in Deutschland

The life sciences industry in both India and Germany has made significant contributions to the gross domestic product and creating a number of opportunities. Nevertheless, fierce competition and difficult market environment are constant challenges that need to be dealt with before the life sciences industry for sustained business success.

CEO Conclave - Health & Life Sciences, Germany, held December 18th at the Sheraton hotel, Bangalore, provided a platform to discuss the challenges and explore ways to transform them into opportunities. The event was organized by BioSpectrum along with German Trade Invest, providing a snapshot of the various potentials that Germany has as an investment hub.

One of the main hurdles is the mutual lack of awareness about the processes and protocols. M. Narayana Suresh, group editor of BioSpectrum highlighted this while speaking the event and said there needs to be dialogue between the firms of the two countries to help facilitate understanding of each other's processes and protocols. He also said that there were a lot of intellectual property rights-related obstacles in India and that the investment environment was not ideal for utilization by the German firms.

Development of affordable and innovative medicines is the war cry

Push for research

Joint MD, Panacea Biotech

Welcoming the gathering, Mr Hans Guenter Loeffler, deputy consul general,

Consulate of the Federal Republic of Germany, highlighted that Germany is extremely focused on its education and research, and it can be judged from the fact that the Government of Germany is planning to increase funding to the Department of Education and Research by 11 percent despite the monetary slump surrounding the EU.

“So far, more than 2,000 joint projects have been successfully completed, more than 7,000 student exchanges have been made, over 2,000 scientific publications have been published and more than 400 workshops and seminars have been conducted. The Humboldt Foundation, which has around 1,700 Indian scientists, awards fellowships to conduct research for two years. Indians are among the highest number of alumni in the institute. We also have the DAAD (German Academic Exchange) service, which has helped more than 7,500 Indians secure scholarships,” said Mr Loeffler.

The German experience

Germany functions on principles of cooperation, mutual trust and respect

- Mr Hans Guenter Loeffler

deputy consul general, Consulate of the Federal Republic of Germany

Panacea Biotech, the largest vaccine producer of India with a turnover of more than \$200 million, recently set up a company (GmbH) in Munich, Bavaria. It identified that establishing a GmbH was the right kind of business presence for a foreign organization in Germany. The procedure for setting up a GmbH is straightforward, subject

to proper documentation.

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Dr Rajesh Jain, joint managing director of Panacea Biotech, said the entire process was completed within a very short period. “The simplified nature of management and administration of a GmbH ensures that the team can focus more on business aspects,” he said.

Sharing his views on why Panacea looked at Germany as an entry point to Europe, Dr Jain said, “Germany is a leader in science and they also have a reputation of moving forward very swiftly. We found this by using our market research team and this made us think that Germany could be our destination.” He also said the experience with BfArM (the German drug regulatory agency) has been very good from the perspective of scientific advises related to guidance on CMC, pre-clinical and clinical development.

“Germany is the third largest pharmaceutical market globally, next to the US and Japan. It has the largest market in the EU in terms of value for specialty pharmaceutical product, has a strong orientation for brand promotion and is the most respected reference member state in the EU. All these factors make Germany an attractive country for pharmaceutical investments,” he added.

Mr Amit Chatterjee, managing director, Sartorius Stedim India, echoed the sentiments put forward by Dr Jain. He said German firms were disciplined in their approach and execution, and had zero percent tolerance for parameters that hindered their protocols. He said that since Germans were technically very skilled, working for a German firm was very satisfying.

A financially stable nation

A large number of Indian firms have collaborations with subsidiaries of German companies in India. However, not many Indian companies have established their businesses in Deutschland. Dr Tilo Mandry, senior director, Germany Trade And Invest, Federal Republic of Germany, was in India to understand and to find the issues that are coming in way of enhancing trade relations between the two. Dr Mandry heads Health - Made in Germany, which is an initiative of the German Federal Ministry of Economics and Technology, that aims to foster and expedite cooperation between German and foreign partners in healthcare. It is the official export and collaboration initiative of the German government for the German life sciences industry.

Statistics according to Dr Mandry suggest that there are 11,700 medical device manufacturers in Deutschland, out of which 500 are designated biotech companies. Each of these firms have shown economic stability and no bankruptcy has been declared until date. So Indian firms, which have been apprehensive about investing in Germany owing to the prevailing monetary slump, can breath a sigh of relief. “Indian life science giants such as Dr Reddy's Laboratories and Ranbaxy have established their presence in Germany,” he added.

Dr Mandry, while speaking about the role of the “Health Made in Germany” initiative, said, “We needed a platform to identify partners for distribution for in-licensing and for out-licensing for joint ventures. Thus, we started working with groups comprising representatives of German association of the healthcare industry. We have four groups for medical devices, services, pharmaceutical and biotechnology. This platform would also help India, since a lot of firms here want

access to the German market.â€?

Need for more initiatives

Dr S D Ravetkar, senior director, Serum Institute of India, suggested that more such platforms should be organized where interactions between various organizations takes place. He suggested that since BioSpectrum has emerged as the voice of the industry, the initiative should be taken up by the publication. He pointed out that Indian manufacturers need to learn more tricks of the trade.

Saptarshi Chaudhuri in Bangalore