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Become Quality Leaders

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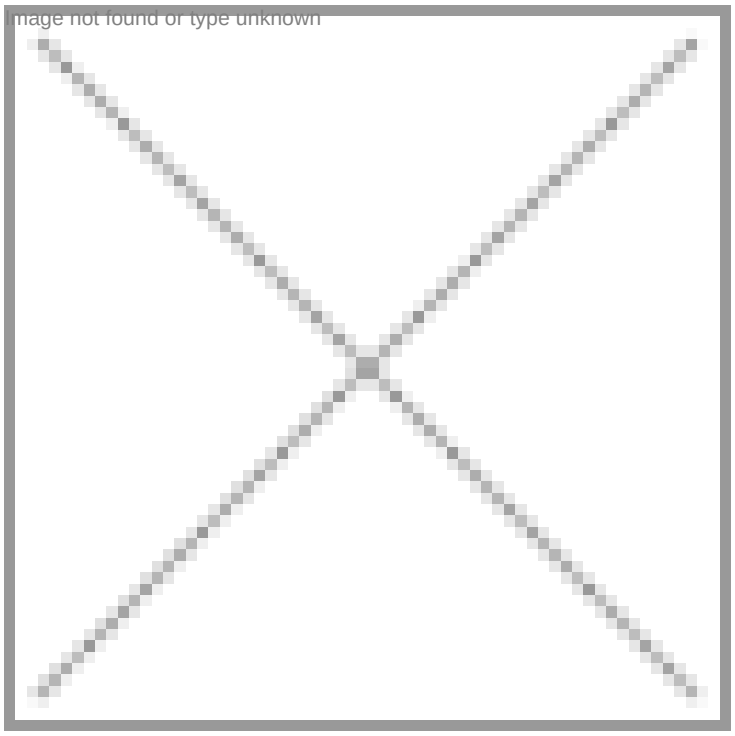

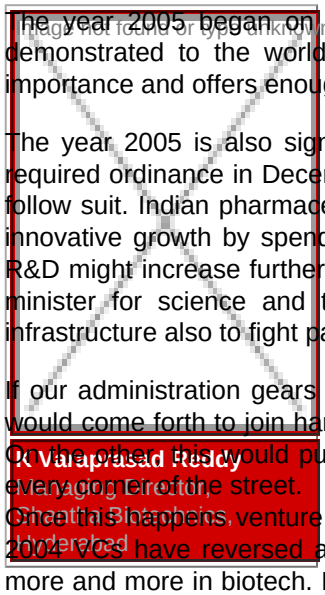

The year 2005 began on a hopeful note for the biotech industry. The Indian government through Padma awards, has demonstrated to the world how much it cares for the life sciences sector. Hope the Finance Minister too gives equal importance and offers enough incentives in the budget to boost R&D and to attract VCs.

The year 2005 is also significant as we have to learn to live under the new product patent regime. By promulgating the required ordinance in December 2004, the government has complied with TRIPS obligations and is expecting the industry to follow suit. Indian pharmaceutical companies are gearing up to the WTO regime and are adopting a strategy of R&D-based innovative growth by spending more and more funds on R&D, which never happened earlier.This year their investment in R&D might increase further and if this trend continues, soon they might even meet the international norm of 12 per cent. As minister for science and technology, Kapil Sibal has rightly pointed out, we have to revamp and upgrade our legal infrastructure also to fight patent suits lest our Indian companies lose on that count.

If our administration gears itself to implement the Act effectively, it serves two purposes. On one hand, foreign investment would come forth to join hands with Indian intellect to develop bio-products which will have far-reaching benefits to humanity. On the other, this would put an end to mushrooming of biotech companies without expertise or commitment, proliferating at every corner of the street.

Once this happens, venture capitalists (VCs) would not hesitate to get onto the biotech bandwagon. At a global level, during 2004 VCs have reversed a three-year downward trend by investing $5.6 billion more. This year might see them investing more and more in biotech. In India, bio-agri industry is growing fast. Biotech crop area in India has increased four-fold during 2004 and this might be another good area for investment.

We badly need quality controlling mechanisms and institutions to earn repute at global level. A lot more bio products should

try to get WHO pre-qualification. During the recently concluded BioAsia 2005 conference in Hyderabad, the organizers have declared signing of nearly 15 MoUs between member countries. It remains to be seen how many of them will see the light of the day.

As far as Shantha Biotech is concerned, the year 2005 is very important for us. We have already launched Shanpoietin (r-DNA Erythropoietin). Combo Vaccines and GCSF are expected to follow. A large facility with an area of 100,00 sq. ft. is taking shape to develop and manufacture viral vaccines for measles, mumps, rubella and is expected to be completed early next year. Nearly 15 biotech products are in various stages of development and some of them â€“ at least three of them - might enter the market during 2005. We are going to consolidate our position in vaccine market with our combination vaccines, expected to be launched in March 2005.

Still a lot more has to be done. As one of the speakers pointed out at BioAsia conference, no new vaccine had been developed in Third World countries so far. Let us hope the year 2005 augurs well to turn that dream into reality.