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Report: Indian pharma must embrace innovation to stay competitive

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According to a recently released report by the Cambridge Consultants, a global think tank in innovation and high-tech technology consulting firm, the Indian pharmaceutical market today accounts for over 10 percent of global drug production, while ranking among the top five globally by production volume.

The pharmaceutical industry continues to be one of India's biggest employers, with more than 340,000 Indian employees dedicated to an industry that is worth in excess of $22 billion. But senior delegates at the Cambridge Consultants Mumbai pharma workshop said that Indian pharmaceutical companies must embrace innovation and adopt technology if they are to stay competitive at both a domestic and global level. In an industry that is extremely competitive, with more than 20,000 pharmaceutical companies, the delegates agreed these were the two main driving forces defining the future landscape of the Indian pharmaceutical industry.

The Cambridge Consultant workshop, attended by a cross-section of senior personnel from a variety of functions within leading Indian and multinational companies,explored the question of whether India would become one of the world's leading pharmaceutical countries by 2030. Recent reports suggest India's domestic pharmaceutical sector will grow to $55 billion by 2020. As a significant exporter of high-quality generic drugs, India is expected to see the value of its drug exports double to $25 billion by the end of 2014, according to the country's Minister of Health.

The delegate feedback revealed the Indian pharmaceutical industry still has significant growth opportunities, and major local companies could have the potential to compete with multinational pharmaceutical companies. Amongst them, the greatest impact in world markets will come from those Indian pharmaceutical companies which adopt technology innovations to differentiate their products and make them more competitive both domestically and globally. This trend for differentiation is particularly important as Indian pharmaceutical companies have fewer new generic opportunities. This is because the number of New Chemical Entity (NCE) filings to the US FDA has declined over recent years and the number of innovator drug patents reaching their expiry date has peaked. Similarly, at a global level there are more generic pharmaceutical developers from

other emerging nations, including China,which will offer low-cost competition for India, as well as the ongoing global threat of counterfeit drugs.

Dr Cyrus Karkaria, president of the biotech division at Lupin Pharma India, said, "The Indian pharmaceutical market is really at a very exciting yet challenging point, where it can become an even greater contributor to the Indian economy. Indian pharma companies must remain competitive and look to innovate and adopt technologies that can complement and accelerate the uptake of drugs for better health management."
Mr Andrew Barrett, director of medical technology in India at Cambridge Consultants, said, "In order to drive faster growth, and capitalize on their existing success, Indian pharmaceutical companies must now aim to create true added-value offerings with 'super-generics', which can deliver additional benefit to patients. Innovation and technology are key, and the required investments can be recouped because medical products have long lifecycles. Technology has a great role in drug delivery to extend these lifecycles, add value and, importantly, allow product differentiation in a crowded market space."

A report based on the discussion stated that technology can play a pivotal role in the Indian pharmaceutical industry as success will be driven by combining drugs with devices and delivery systems, rather than by drugs alone. In addition, Indian pharmaceutical companies could benefit from the following technologies.

Firstly, since a growing number of Indian companies are moving into biologics (including biosimilars and biobetters) where injectable therapies necessarily predominate due to the greater difficulty of formulating these drugs for oral administration. Injection technologies, such as auto-injectors and patch pumps,can provide easier and less painful drug administration.
Inhaled products are already commonplace in the Indian market through major local and multinational products, targeting respiratory disease markets such as asthma and chronic obstructive pulmonary disease. Indian companies with this pre-existing specialist knowledge are well placed to develop value-added products using the pulmonary route to deliver systemic drugs.

When it comes to medical devices, Indian pharmaceutical companies are unlikely to build significant expertise purely in this area. Instead, they could use experienced device design and development consultants to support their significant formulation/chemistry expertise. Indian companies have the opportunity to change manufacturing and production methods to support the further adoption of drug delivery device technologies.
Also, against the background of rising healthcare costs, Indian pharma companies can use technology to harvest and beneficially use data to bring benefits to healthcare providers and consumers alike. Given India's dominance in IT and software it isn't beyond belief that a connection could be made between one industry and the other, placing India in a strong position to become a global player in connected health markets.