

Novartis to cut or transfer up to 4,000 pharma jobs to India

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Swiss drugs group Novartis intends to cut or transfer up to 4,000 jobs, newspaper NZZ am Sonntag reported on Sunday, citing an internal email. The plan affecting up to six percent of its pharmaceuticals workforce comes on top of a program to reduce the number of production sites and is part of a larger drive to cut costs, the newspaper said.

Global drugmakers are under intense pressure from investors to step up restructuring as patents on best-selling drugs expire and governments try to keep a lid on health costs.

Company spokesman Eric Althoff did not confirm the job numbers but issued a statement saying that Novartis intends to prioritize and reallocate resources primarily in pharmaceutical operations to emphasis on planned product launches and other growth areas.

The measures "reflect the need to respond to a dynamically changing healthcare environment", it said, adding that Novartis expects group headcount to remain largely flat in 2014. "We expect that an equal number of jobs will be created as are reduced," the statement said.

A noteworthy number of jobs are expected to be moved to India, with the company saying that it plans to move existing operations in Hyderabad to a business services center as part of its consolidation strategy. "The new center is expected to open -in late 2015 or early 2016 and will bring together Novartis operations that are currently spread across three sites in Hyderabad as well as provide for future growth," the statement said.

Novartis, which will face copycat rival for blood pressure pill Diovan once Ranbaxy Laboratories overcomes regulatory delays for its generic version, posted lower than expected core earnings per share last week. The company is also piloting a review of its over-the-counter, animal health and vaccines businesses, which lack the global scale of its pharmaceuticals operations.

