

'Competition will make Indian suppliers more professional'

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Mr Arun Prakash
MD, Genetix Biotech Asia

For almost two decades, New Delhi-based Genetix Biotech Asia has been involved in the distribution of life sciences research products to public and private sector institutes. Recently, the company changed its strategy and is focusing more on manufacturing and promotion of its own brand in the India market.

In an interaction with BioSpectrum, Mr Arun Prakash, managing director, Genetix Biotech Asia, spoke on the latest developments in the company, challenges before it, competition and the latest trends in the biotech industry.

How has the growth of Genetix Biotech been since inception?

Q When we started in 1991, we were a small part of this whole biosupplier industry. Now, 55 percent of the company's revenue comes from the biopharma industry. From being mere distributors, we have come a long way by re-branding ourselves as both distributors and manufacturers of indigenous products. During the last two years, our business was consolidated to a great extent and we are improving our infrastructure.

How do you see the competition in the biosupplier industry?

Q The competition is forcing companies to change their strategies and move towards becoming more professional. The recent acquisitions of the Indian supplier companies by multinationals based in the US has added to the direct competition between Indian and foreign companies. Although more than 60 percent of our business was initially affected by this, we are sure that it will not hold ground for long as providing services to clients in India is a different ball game. On a positive note, I still feel that it is an opportunity for us to come up with new range of products. With this competition, there will be a major

change in the way business is done in India.

Q According to you, what are the major challenges before the biosupplier companies?

Logistics continues to be a major issue in India. In the last 20 years, we managed the things on our own by having warehouses and doing business with a lot of risks. Earlier, there were heavy taxes but over the period, they have come down.

The transportation and lack of proper storage facilities at airports and clearances of certain temperature-sensitive products add to the woes of distributors. I hope that in future we will be able to overcome these challenges.

The latest challenge is the direct entry of US companies, which has taken away business of many primary distributors. But it is also now visible from customer feedback that these companies have not been able to do justice to customer service. It is not so easy to just walk into a country and start selling. In the Indian scenario, face value and personal contacts matter a lot. The big companies generally don't care about individual concerns on products. Therefore, I still believe that distributor companies play an important role here.

Q What are your future plans?

Though we have not entered into any new collaborations yet, we will continue to focus on the distribution business. At the same time, we will also give ample attention to our manufacturing business.

We have invested significantly to the tune of **10.4 crore (\$2 million)** in product development and in making our products more acceptable. As we have a good presence in the market, we are now focusing on generating 50 percent of our business revenue from our own 'Genetix' brand. In fact, we have tied up with a few companies to promote our brand in the other Asia Pacific countries. We established an R&D center in Delhi and one manufacturing unit in Dehradun. Since we already have enough access to the market, we will keep reaching out to potential clients.

Q How do you visualize the growth of biotechnology industry in India?

In my opinion, the industry in India has still not grown to a significant size as compared to other global markets. The reason behind this is the lack of special consideration for the industry here. In India, the biotechnology industry is treated like any other industry and that makes it difficult to run things smoothly.

Besides, the government has also not encouraged the industry to the extent that it should have. Of course, there have been continuous funding for research activities, but the requirements of the industry also need to be fulfilled. The industry needs subsidized raw material and customized warehouses at airports. China and other developing countries are making special considerations for the biotech industry, which is driving the growth of the industry there.

-Rahul Koul in New Delhi