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India And U.S. Pharma Companies Meet To Discuss Evolving Partnership Models

CAMBRIDGE, Mass. - The ever-growing engagement of the Indian pharmaceutical industry with its global counterparts - in the areas of R&D partnerships, manufacturing alliances to M&As - could be gauged from the coming together of senior level industry executives from both sides at the annual biopharma and healthcare summit sponsored by the USA-India Chamber of Commerce (USAIC) in Cambridge, Massachusetts June 23.

Kiran Shaw, chairperson, **Biocon Ltd.** and Hari Bhartia, co-chairman, **Jubilant Life Sciences**, were among the notable speakers from the Indian side while global companies like **Novartis AG**, **Johnson & Johnson** and **Abbott Laboratories Ltd.** placed senior executives to speak on the one-day program.

Academia's rising influence in helping Big Pharma accelerate its R&D productivity crisis was on display, as well. The emcee for this year's event was Bill Chin, executive dean for research, Harvard Medical School. Chin has a unique perspective on pharma-academic partnerships; prior to joining Harvard he was SVP for discovery research and clinical investigation at **Eli Lilly & Co.** Lansing Taylor, director, Drug Discovery Institute from the University of Pittsburgh and Harris Berman, dean ad interim, Tufts University School of Medicine, also participated in intense debates on collaborative research and identifying opportunities.

The presence of M.K. Bhan, secretary, department of biotechnology, from the Indian government also added insight on India's plans to foster newer models to encourage innovation. Simon Goodall, partner and managing director, Boston Consulting Group with his colleague Bart Janssens, who heads BCG's India life sciences practice, kicked off the meeting by presenting an exhaustive position paper that outlined the biggest opportunities for partnership-based innovation with Indian companies (['Sneak Preview: BCG Study Predicts Strong R&D Focus In India; Big Pharma May Leverage India For 'Niche Busters' And Stem Cells,' PharmAsia New, May 23, 2011](#)).

Government Stepping Up Support For Industry

Bhan, well-known for his strong views on speeding up reforms of the Indian regulatory machinery, informed attendees that the Indian cabinet of ministers last week approved the setting up of a new agency that will support small and mid-sized Indian companies in negotiations and grant of global approvals for their products. The smaller players in the Indian industry had sought government support for partial reimbursement of product filing expenses in other countries.

More significantly, Bhan said, the government had approved the setting up of a global level "Technology Acquisition Fund" that will aim to acquire relevant intellectual property of products and pass on to multiple agencies for development. Bhan declined to share the granular details of the fund size or its scope, but maintained that the government has identified ways in which the proposed fund can help smaller companies develop products more expeditiously.

The secretary put to rest growing speculation that the Indian government may seriously block full acquisition of Indian companies by foreign players, noting that the finance ministry would not like to send a "negative signal" to global investors. In the recent past, concerns surfaced that global companies may halt production of life-saving medicines that are relevant to India and that there may be an upward spiral in medicine prices. In absence of any clear evidence that big companies increase prices after they buy companies, Bhan told attendees that those fears have been allayed (['India Story Tempered? Government May Put Future Brownfield Buyouts Under Scrutiny; No Qualms On Greenfield Investments,' PharmAsia News, March 10, 2011](#)).

A significant part of the event concentrated on the potential of doing research with Indian companies. Martin Fitchet, chief operating officer, Johnson & Johnson R&D viewed the opportunities with a degree of caution, saying that his company is looking at India from various angles and wants a "true partnership" where risks and rewards are shared.

He is of the view that Indian companies have to evolve to add biology skills to their traditional chemistry strengths to move up from the "fee-for-service" model to a "fee-for-value" model that builds long-term assets. "We are looking at more concrete ways of doing things," he said, pointing at J&J's holistic approach of prevention, diagnostics, prognostics and disease treatment.

Calling for a broader view in doing R&D and clinical trials in India, Sanofi's head of global oncology, Debasish Roychowdhury, asked if global companies are prepared to turn the needle toward a healthcare and disease care situation. "Are we moving to improve access and are we looking at investigative care for the patients and are we connecting the patients with the right necessities?" he asked, saying that in India he had a simple and rewarding experience.

This year's conference also shined a light on the diabetes explosion in India.

From the Indian angle, Biocon's Shaw said that diabetes itself presents huge challenges not only from the rising numbers but also in the way it has remained unnoticed. She specified ways in which Biocon has taken up social initiatives to spread awareness of the disease. She also advocated for innovative insurance schemes that would reward diabetes patients for behavior modifications, much like drivers are rewarded with cheaper premiums on auto insurance for good driving records.

From the Big Pharma angle, J&J's Fitchet said that India is ripe for targeted education on lifestyle changes, as most Indian diabetes patients live in urban settings so are easier to reach with public health messages. "I don't want to talk myself out of business," he quipped, but said that education about nutrition, exercise and compliance are key factors for curtailing the diabetes explosion.

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