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Indian bio-pharma R&D spending could grow to \$25 bn by 2025

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India's bio-pharma sector may see a surge in R&D spending to about USD 25 billion in the next 15 years, according to a Boston Consulting Group report that said favourable policies need to be implemented to attract investment and enhance innovation in the field.

The total amount that is currently being spent on innovative discovery programmes and development in the bio-pharma sector in India is about USD 2 billion.

This amount can grow to USD 25 billion by 2025 if concerted efforts are made by various stakeholders like the government, academia and industry on developing R&D and innovation in the bio-pharma field.

The investment is expected to come from multinationals, Indian industry and funding organisations ploughing money into discovery and innovation.

"The Indian government needs to implement favourable policies that enhance innovation and drive collaborations, besides addressing issues in critical building blocks like talent and infrastructure," BCG said in its position paper, titled, 'Life Sciences R&D: Changing the innovation Equation in India'.

The paper was presented here today at the US-India Bio-Pharma summit organised by the USA-India Chamber of Commerce.

"While the government has taken concrete measures over the last decade to establish an innovation ecosystem, Indian stakeholders have to accelerate their capability to enable global bio-pharma to develop an India innovation strategy," the report added.

The paper outlined recommendations for Indian service providers, academia and the pharma sector that will help boost spending in the country's bio-pharma field over the next few years.

It said Indian service providers should develop a differentiated value proposition to emerge as attractive innovation partners for global bio-pharma.

It suggested that the Indian pharma sector transform its business model from an integrated to a

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network approach to develop 'nichebusters', while the academia should drive commercialisation in institutes by encouraging collaborations and entrepreneurship.

If the action programme laid out for the various stakeholders is realised, the amount of money that would subsequently be spent in the Indian bio-pharma field could be about USD 25 billion by 2025, BCG partner Bart Janssens said.

India still accounts for only about 1% of the overseas R&D investments made by US bio-pharma companies -- similar to China's share (also about 1%), but much smaller than the share of Eastern Europe (about 8%) and Latin America (about 4%).

"We feel that India's research sector still has tremendous opportunities for growth, particularly with bio-pharma companies struggling to resolve the crisis in R&D productivity," Janssens added.

India is attracting more investment in bio-pharma R&D, but still lacks recognition as an innovation partner, the report said.

Over the past 10 years, India has made a concerted effort to capitalise on the globalisation of R&D investments.

US bio-pharma companies spent 24% of their R&D budgets in foreign countries in 2009, up from 17% in 2002.

Over the same period, India's share of these foreign expenditures increased ten-fold to about USD 500 million.

Tags: [India's bio-pharma sector](#), [R&D spending](#), [Boston Consulting Group](#)

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