

Lupin local market thrust

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Mumbai, Aug. 17: Lupin, the country's fourth-largest drug maker by sales, expects its domestic business to beat industry growth rates and rise 15-20 per cent annually over the next few years.

Shakti Chakraborty, group president (India region formulations), said the country would play a crucial role in charting the company's growth over the next four years.

At present, India contributes around 23 per cent to Lupin's total sales. "India will have a significant share when Lupin becomes a \$5-billion company by 2018," he added.

The optimism comes at a time things have not been going right for the local industry. Recently, the National Pharmaceutical Pricing Authority (NPPA) brought more than 100 drugs (cardio vascular and diabetes) under price control. It is believed that the NPPA will add more medicines, used in the treatment of cancer and HIV, to the list of controlled drugs.

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- Lupin expects domestic business to grow 15-20% within a few years



- Company optimistic despite intense competition and price control measures

- Keen on partnerships with overseas players to boost local presence

- India contributes 23% to sales

Moreover, many of the pharmaceutical companies, particularly the top 12, have been focusing on regulated markets such as the US where drugs worth \$130 billion are expected to go off-patent from 2012-17.

According to a recent report by Crisil, pharmaceutical firms are set to shift their focus to regulated markets as competition in the domestic market gets intensified with more drugs being brought under price control.

Chakraborty said price control would not have any impact on Lupin. However, the company will look to enter into partnerships with overseas players to grow in the domestic market.

Early this month, it had entered into a strategic distribution agreement with LG Life Sciences of South Korea to market glargine, a novel insulin analogue under the brand name Basugine. Lupin has similar tie-ups with Novartis, Merck and Eli Lilly.

Though the domestic pharmaceutical industry has been registering single-digit growth, Chakraborty said product launches and higher market share in existing therapies would drive Lupin's growth over the next few years.

"In normal years, the India business will grow around 20 per cent annually. But in better years, the growth rate could even be higher. While all our existing therapeutic categories are doing well, we expect higher market share in segments such as dermatology, ophthalmology, oncology and gynaecology," he added.

Company