

Pharma body calls for more policy initiatives to spur innovation

Says drug incubation is bogged down by procedural hassles

OUR BUREAU

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The Indian Pharmaceutical Association (IPA) wants the Modi Government to come out with policy initiatives to encourage innovation in the pharma sector through incentives, and boost local production of some high-volume essential drugs so as to whittle down dependence on Chinese imports.

Unhealthy dependence

The association is concerned over India's almost total de-



pendence on China on some 15-20 drugs in the essential category, including some penicillin-based products and antibiotics. "These are basically older products and are high-volume ones, which need to be produced on a large scale. If there is a breakdown in the supply chain (from China) or

price disruptions, Indian patients will suffer," K Satish Reddy, IPA president and chairman of Dr Reddy's Laboratories, said.

He said China was able to produce these drugs on a large scale and cheaper as the industry there was provided certain incentives and facilities, including subsidised power.

The association suggested setting up of industry clusters with basic infrastructure and reduced utility costs to encourage the local pharma sector to go in for mass production of such essential drugs and active pharma ingredients, thus reducing import dependence.

"Our process costs are more competitive than China's, but without state subsidies, we

(local industry) gave room to China (for import of these drugs and APIs)," he said.

The need for a policy framework to encourage innovation is another area that the association wants the Government to focus on. Reddy said innovations and incubations in the pharma sector were today bogged down in a "maze of procedures". He felt that the Government should provide some direct incentives in the form of grants or loans to encourage innovations and incubations.

"In fact, in many countries, if an incubation or innovation effort fails, the loan is waived. There has to be a system that is conducive to public-private partnership in innovation and incubation," he said.

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