

India's drugs market expected to be worth \$32b by 2017

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India is currently on the US government's priority watch list — countries whose practices on protecting intellectual property Washington believes should be monitored closely.

The US industry trade group pharmaceutical research and manufacturers of America believes Washington should take a tougher line by downgrading it to a priority foreign country, a classification for the worst offenders, which may trigger possible actions, sources said.

"The multinational companies are exploiting all opportunities — from patenting their in-

vestments in the country to forcing the US to take some actions," said a source in New Delhi, who is directly involved in the situation.

"Companies feel something should be done at the earliest to check the violations of their intellectual property in the country. They want government to change things," he said.

All the sources declined to be named due to sensitivity of the matter. A PhRMA representative declined to comment.

If India gets relegated by the United States to priority foreign country level, it will join Ukraine as the second country in that segment.



FILE PHOTO: Making medicines cheaper is a politically sensitive issue in India where many patented drugs are too costly for most people

Countries in the priority watch list include China, India, Pakistan, Russia, Thailand and Argentina.

"PhRMA makes submissions to the US government

PhRMA is currently drawing up a submission to the US government ahead of a Friday deadline for filing concerns about countries to be included in the so-called Special 301 Report, which is prepared annually by the office of the United States trade representative.

Making medicines cheaper is a politically sensitive issue in India where many patented drugs are too costly for most people, 40 percent of whom earn less than \$1.25 a day, and where patented drugs account for under 10 per cent of total drug sales.

Picking a fight with an emerging economy like India, where millions of peo-

ple cannot afford basic healthcare, will not be easy and without risks.

The industry has recently run into fierce controversy in South Africa for taking on Pretoria over its plans to overhaul patent laws to favour cheaper generic drugs, leading some executives to urge a softer approach. "I don't believe there is any need for any kind of more assertive stance. This is a situation where constructive engagement is the way forward," GlaxoSmithKline Plc chief executive Andrew Witty told Reuters.

With sales of patented drugs in western countries slowing, emerging markets are a vital growth driver for

companies. India, however, has so far failed to be much of a money-spinner for the world's top pharmaceutical companies.

India's \$14 billion-a-year drugs market — driven these days by chronic diseases, such as diabetes, as well as infections — is expected to be worth \$22-32 billion by 2017, which would rank it as the 11th largest globally, according to IMS Health.

"Any obstruction or action by the US government can have a very adverse impact on the trade relations between the two countries," said JH Pai Panandiker, president of New Delhi-based RPG Foundation, an economic think-tank.

PhRMA