PRESS INFORMATION BUREAU
पत्र सूचना कार्यालय
GOVERNMENT OF INDIA
भारत सरकार

Business Line, Delhi
Wednesday 12th February 2014, Page: 2
Width: 25.81 cms, Height: 14.14 cms, a4r, Ref: pmin.2014-02-12.21.23

What made Gilead Sciences choose Mylan as India partner

Manufacturing capacity, quality and ethical approach proved winners

Last month, California-based Gilead Sciences expanded its alliance with fellow multinational Mylan to bring its branded medicines into India. In an interview with PT Jyothi Datta, Gregg H Alton, Executive Vice-President, Corporate and Medical Affairs at Gilead Sciences Inc, outlined what the company's local partnerships, including one with Ranbaxy Laboratories Ltd, mean for patients in India. Edited excerpts:

How does your collaboration with Mylan benefit India?

We see Mylan as a strong partner to do the things we need to do in terms of supporting our products and patients in India – medical education, disease awareness and distribution of the products to where patients can access them.

They have a presence here to do the things we are committed to do.

Besides, Mylan is a company we have worked with for many years. Our licensee programmes with them give confidence in their capabilities.

Their ethics and culture are aligned with ours.

Will products be imported or made here?

Yes and no to that question.

They will continue manufacturing generic versions of our HIV products and hepatitis B products.

At the same time they will support our imported products.

They make drugs at the lowest cost in the world, there's nobody that makes it at a lower price than Mylan. It will be a combination of the two.

While Mylan is a multinational corporation, we have been working with Mylan since they were Matrix.

And it's really the same people, so we view Mylan as an Indian company that happens to be part of a larger corporate structure that is multinational.

Will there be any differential pricing of drugs?

Our pricing for the imported product is in alignment with our global access programme. So, it comes at a fraction of the US cost.

India is recognised by us as a country that needs lower prices to reach the broad majority of patients.

Besides, we have generics that Mylan produces, which are at a lower cost. The price for the HIV product that we import into the Indian market is roughly less than 5 per cent of the US price. Those produced by Mylan are even lower.

The real key to this relationship is not just about having a lower cost drug, which is already here through the partnerships we have. But the support of the products, to work with the physicians, work with the patient groups, and the regulatory challenges that we may face... they are going to be doing that for us.

You have collaborations with Emcure, Hetero and Ranbaxy. What made you choose Mylan over them to expand your India initiative?

"The challenge we face is patients don't have the ability to pay. Many times even Governments don't have the ability to pay."

GREGG H ALTON
EVP, Corporate and Medical Affairs, Gilead

We had to choose one partner to support the market place because there was the investment required to support the better price.

Tie-ups with other companies to have locally produced versions of products continue. We still work with many of them. We went with Mylan because they were a strong partner for us and demonstrated the ability to manufacture large volumes, high quality... and had an ethical approach. Not that the others hadn't, but we had to go with one and they were the strongest.

You collaborate with Ranbaxy. Isn't its recent regulatory trouble a concern?

No, I don't think so. They surely have some challenges, but I don't think it's unique to Ranbaxy because it's an Indian company. Companies throughout the world in this industry tend to run into manufacturing problems for time to time. When you have several facilities, it's going to happen – you are going to have some manufacturing issues. It's not easy to do, but we're confident they'll work through these issues.

Multinationals are facing patent-related challenges. What is Gilead's view on this?

We're trying to get products to patients and the challenge we face in these markets is that patients don't have the ability to pay. There are many times even Governments don't have the ability to pay.

So, everything we are doing is focusing on patients. There is IP (intellectual property) that is important to us as a company. But that's not what's driving our decision making... we're going to continue to do what we need to do.

Globally, Governments are battling healthcare costs. Are questions not asked in the US on differential prices offered in other markets?

A big difference between the US and India is that the US spends money on treating effects of hepatitis C. For example, in terms of liver transplants, liver cancer – there is a huge burden of hepatitis C currently picked up by the health system.

The current standard of care in the US (drug costs, plus managing patients cost, etc) is about $200,000. Our product, at $84,000, actually saves the US healthcare system a lot of money. There are different challenges in health economics in India. But this is an opportunity, we have a drug that works extremely well (sofosbuvir). This is a very good investment for the Government if we have the right price.

M&A