

US Pharma vs US Inc

Need to harness more pro-India bodies

Given how powerful pharmaceutical firms in the US are trying to lobby the US government to take strong action against India for its weak IPR laws, India needs to learn some lessons from China. For years, sections of the US government wanted to declare China a currency manipulator, but US corporations that made lots of money from China weighed in and, as a result, China managed to get away quite lightly. In quite the same manner, India needs to get those sections of US business that are earning big money in India to actively lobby on its behalf, to convince US lawmakers that the picture is nowhere as one-sided as Big Pharma is making out to be.

The US India Business Council, that has more than 300 large corporations as its members, has already made a presentation to the US International Trade Commission, and some of the facts it has presented are those the Indian government should have been highlighting as soon as the lobbying by Big Pharma began. As the USIBC points out, two-way trade is up to \$100 billion today from around a fourth that just 8 years ago and is likely to touch \$500 billion by the end of the decade. Exports of defence technology, one where a lot of IPR is embedded, have gone up from \$250 million in 2003 to over \$12 billion today. India's booming aviation market has resulted in hundreds of thousands of jobs in the US. And while Indian firms have invested over \$9 billion in the US in just the last four years, American firms have invested over \$50 billion in India over the years—firms like Pepsi and Coca Cola have just announced multi-billion dollar investments over the next decade and while Walmart may have shied away from India's multi-brand retail, the UK's Tesco had no hesitation in setting up shop in India.

And for all the talk of India's poor IPR regime hurting US pharma firms, Abbot's India sales have risen 57% over four years, Pfizer's 105% and Merck's 74%. Large US pharma firms continue to buy Indian firms, Mylan's \$1.8 billion takeover of Strides Arcolab being the most recent example—half of Mylan's global work force, it has to be pointed out, is located in India. Gilead, USIBC points out, was able to provide over 1.1 million patients in developing countries with Gilead HIV medication produced by Indian companies. There is then the business that US banks are doing and the potential for US insurance firms once FDI limits are further raised. USIBC has provided a great starting point, India needs to get more such details of US Inc operating out of India and get them to lobby US government to counter Big Pharma. And while the US side talks of tax problems in India, it needs to be pointed out that around 100 US firms are currently working out mutually beneficial protocols with the Indian taxman. It wouldn't hurt if, while activating US firms to lobby for India, Indian firms went public with how US policy is protectionist and discriminatory.

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