

Dr Reddy's eyes fresh foray into Japanese market

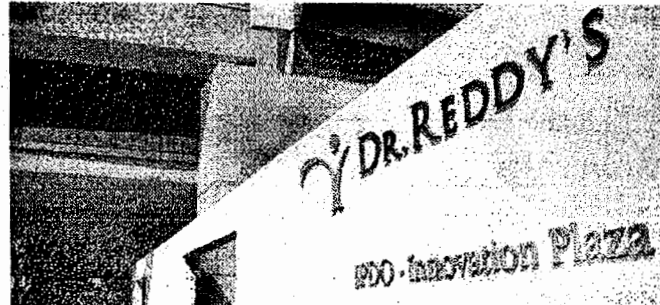
HYDERABAD: After shrugging off its proposed joint venture with Fujifilm which was a non-starter, Dr Reddy's Laboratories Limited is back on the drawing board and is keen to make a fresh foray into the Japanese market.

"We are exploring all options in the sense we have product profile. We have already gone through (with Fujifilm) which did not work. We have to be sure that we don't make those mistakes again. The priority is to get into the right plan to enter into the (Japanese) market," DRL Vice-Chairman and Managing Director, K Satish Reddy told the news agency.

The Hyderabad-based company is working overtime to see that its entry next time around into the world's second largest pharma market after the US - still at works - is a success.

The Indian drug-maker and Fujifilm Corporation said last June they decided to terminate the MoU to enter into an exclusive partnership in the generic drugs business for the Japanese market and to establish a joint venture in the island nation in East Asia.

DRL and Fujifilm signed the MoU on July 28, 2011 and the two companies had conducted detailed studies on



establishment of a joint venture for developing and manufacturing generic drugs in Japan.

The new company was expected to develop, manufacture and promote competitive and high quality generic drugs, DRL had earlier said.

"Japan has a lot of barriers in terms of what you can do in that market. I see at the top is quality standards. In terms of manufacturing, besides Japan, there is a lot of restrictions in the minds of patients and doctors and in the minds of regulators," Reddy said when asked about entering the Japanese market. "Even Fujifilm...At that time, we looked at different options. It did not work. We are now back on the drawing board. We do not know. Options are open (for taking a local partner in Japan)," Reddy said.

According to IMS health,

in Japan, the key variable driving different scenarios is the successful establishment of an effective generic market, driven by the Japanese Ministry of Health, Labour and Wealth's goal of increasing generic volume as a percentage of generic and listed drugs to 60 per cent in 2018.

By taking on this challenge, Japan aims to achieve a more rapid increase in generic utilisation levels than what has previously been achieved in any country," the IMS report said.

According to market reports, Japanese healthcare market is estimated to be between \$90 to 120 billion by 2017.

DRL is present in 26 countries with the US topping in revenues (generics) with over 50 per cent, followed by Russia and other CIS countries with 18 per cent.

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