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# India Plans SPV for Brand India Pharma Promotion

'USFDA import alerts, intensive audits & scrutiny of facilities of India pharma cos matter of concern'

**RAJEEV KHERR**  
 HYDERABAD

The government will create a special entity in partnership with private firms for a 'Brand India Pharma' campaign aimed at refurbishing drug exporters' image after recent setbacks overseas. The special purpose vehicle will come into being within the next few weeks, commerce secretary Rajeev Kherr told ET.

The government is also considering stern action against copycat medicine producers who make substandard and spurious drugs, he said.

At \$14.84 billion (\$90,000 crore), the growth rate of India's pharmaceutical exports slowed sharply in 2013-14 to just 1.2%. The near stagnation in growth is because of import alerts and bans by US regulators, a slowdown in the European Union and increased competition. India is the third largest exporter of drugs to the United States by volume.

Kherr said the US Food and Drug Administration, import alerts, intensive audits and scrutiny of facilities of India pharmaceutical companies were a "matter of concern" and that "the solution lies in cent percent compliance".

Kherr said the 'Brand India Pharma' campaign will attempt to build on the country's three key strengths as a major generic drug maker—affordability, quality and accessibility. The government and industry will pool in resources for

## Looking for Panacea

**Govt considering stern action against copycat medicine producers who make substandard and spurious drugs**

**\$14.84 billion**  
 India's pharmaceutical exports in 2013-14

**\$25 billion**  
 Guidance for Pharma exports in 2014-15

**Proposed SPV will be similar to the India Brand Equity Foundation, a trust established by the commerce department**

**Pharmexcil to play a key role in establishing and managing the proposed trust**

**'Brand India Pharma' campaign will attempt to build on the country's three key strengths—affordability, quality and accessibility. The government and industry will pool in resources for the campaign**

**RAJEEV KHERR**  
 Commerce Secretary

the campaign. "We are now working towards augmenting the resources and enhancing the activities. The government has done its bit and now it is for the industry to come and contribute."

Utkarsh Panthkar, partner and national head of life sciences practice at KPMG India, was of the view that the campaign is one part of rehabilitating the damaged image of the industry. "It will definitely help the industry, this campaign. However, branding alone is not enough. The Indian pharmaceutical industry should live up to the standards it is projecting to the world and what the whole world is expecting from it."

Referring to the visit of the USFDA commissioner to India about two months ago, Kherr said Indian government authorities held extensive discussions with the representatives of US regulators on concerns over quality. "We found ways of the keeping the interaction regular and how to help our industry in responding to the American market's demands on quality."

PV Appaji, director general of Pharmaceuticals Export Promotion Council, said chief executives of drug companies met. Kherr recently disclosed the issue of the industry's image. The proposed SPV will be similar to the India Brand

Equity Foundation, a trust established by the commerce department. Pharmexcil, he said, will play a "key role" in establishing and managing the proposed trust.

Commerce secretary Kherr said the country is unlikely to achieve the guidance of \$25 billion of pharma exports during 2014-15 because of several setbacks, including the global slowdown and inability to crack the Japanese and Chinese markets. "We will have to make very important policy decisions and very significant efforts by the industry to reach a good growth figure in pharmaceuticals. We have closed the previous year somewhere at around \$15 billion. So surely, I don't expect that we will do \$10 billion more in the year 2014-15."

With major global economies coming out of slowdown and signs of Indian drugmakers beginning to crack the large markets like Japan and China, India can upwardly revise its pharmaceutical export growth targets for the next five years, he said.

About the medicine export consignments on which Vietnam lodged complaints, the commerce secretary said, "We have asked them (Vietnam) the details of the consignments. We will get testing done to see whether Vietnam's allegations are right or wrong and then take care of the consequences. If the allegations are right, then clearly we will take strong action against those companies."

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