

Policy correction likely to support pharma industry

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Hyderabad, Sep 24: The recent apprehensions over mergers and acquisitions (M&As) in the pharmaceutical industry has caught the attention of the ministry of commerce and industry. On the back of this, the government is planning to bring in a policy correction to support the domestic pharmaceutical industry and is trying to create a better brand image for it.

Brand India, in the pharma context, is purely low cost manufacturing with no image of innovation for the industry. With very little effort coming from the R&D pipeline, the signals sent across is manufacturing of cheap generic products through reverse engineering methods. In the process, the industry has sent feelers for a handholding exercise by the government to build advocacy and improve the brand image. Recently, a study has been commissioned by the department of com-

merce, Pharmexcil and IIM Ahmedabad for creation of a brand status for the domestic pharmaceutical industry.

The first step in the policy correction is to educate the regulatory bodies and remove the misconception about cheap generic products from the country as opposed to substandard drugs, says Satish Reddy, MD Dr Reddy's Laboratories. "We need a policy which can become a road map to the stakeholders," he said.

Industry experts point out that the industry has to introspect itself and work towards developing its own molecule. Hence, a policy correction is the need of the hour, according to Rajiv Kher, joint secretary, department of commerce. Also, the spate of acquisitions in the last few years is no doubt causing lot of concerns. "There is some uniqueness of the Indian pharmaceutical industry which has a de-stabilising effect on the generic segment. Taking a cue from this, the



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- The policy aims to educate regulatory bodies and remove the misconception about cheap generic products
- To study the characters of M&As so that these do not become a trend and uniqueness of Indian pharma is not lost
- The govt will track the source of export material to counter the perceptions of spurious drugs

government is looking at correcting the policy to help the industry, though it is not a regulation on mergers or acquisitions. We are trying to study the characters of M&As and acquisitions must not become a trend," Rajiv Kher said, adding that mergers for consolidation is always a welcome move.

In the process, the government has commissioned a study in association with Pharmexcil and Ernst and Young to bring about the uniqueness of the Indian industry. "There are antagonistic perceptions in Africa

and other CIS countries on sub-standard or spurious medicines. Huge campaign is on with market confusing signals about generic and substandard drugs," he said. Following this, the government has decided to bring in track and trace mechanism by using relevant technology to know the source of the material exported.

Says Utkarsh Palnitkar, ED, Centrum, the word 'brand' is construed in a number of ways, either as a product, logo, jingle or the company itself. However, the essence of a brand is the

promise of the perceived level of service of delivery. This perceived promise of delivery or standard can make or break a brand. It is in this context, that the subject of branding the Indian pharmaceutical sector must be viewed.

"The sector has done remarkably well and has achieved global recognition. Using a future state, current state mechanism, the future positioning of Brand India (Brand India purely from a pharma context) could be conceived stating what we would like the brand to denote. We could then look at what is the present perception or what image the brand pharma conjures. It is important to derive an understanding of the current state of the brand from the outside, i.e. all the stakeholders involved, payers, customers, govt, etc. The result of this endeavour could then be compared with the aspirational state, thereby identifying the gap.

Industry