

Commerce min calls meet with RBI, banks & FIs to address woes

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Hyderabad, Sep 24: In the wake of increasing financial constraints hampering the domestic pharmaceutical industry, the ministry of commerce and industry has decided to convene a meeting with Reserve Bank of India (RBI), banks and other financial institutions in October. The industry, which has seen such constraints in the last few years due to the patent regime, needs a lot of resources right from the R&D stage, development, strategic tie-ups, and marketing in order to compete with the MNCs strategies.

According to department of commerce joint secretary Ra-

jeev Kher, who was in Hyderabad for the Pharma CEOs Conclave, said that with increasing competition, the industry has been complaining about the acute resource crunch as opposed to the support it received in the 1970s and '80s. Moreover, with the industry becoming more export-driven, the effect of financial crunch is being felt even by bigger companies. "We are trying to create a platform along with the financial institutions in order to bring an understanding of the industry's fund requirement. The proposed meeting, to be conducted during October, can help to re-orient the industry's needs which takes longer gestation period requiring huge work-

ing capital," he said.

On the potential of the industry, he said that the country has a huge potential to become a manufacturing hub for the pharmaceutical industry. A recent Yes Bank report - Indian Pharmaceutical Industry: Vision 2015 - says that the Indian pharma industry is expected to grow at a CAGR of 14.2% to \$50 billion by 2015-16. The expected growth rate for exports driven by contract research was estimated at a CAGR of 16.2%, while the domestic market growth rate was at 12.50%. As an emerging contract research and clinical trial base, India is expected to garner a significant share of the market.

Industry