

## Global Cos Launch Generic Drugs to Take on Desi Firms

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Global drugmakers have started launching generic or low-priced version of popular medicines and have slashed prices of their existing products to increase market share in India, taking on local competitors in their own game.

French drugmaker Sanofi Aventis has launched a range of generic drugs, some at half the price of competing brands of local companies, while Japan's Daiichi Sankyo-owned Ranbaxy has cut prices of some of its brands or launched new ones at a significantly low price. Global firms who traditionally banked on sales of their original high-priced medicines have now come into direct competition with Indian drugmakers whose business model is built around selling large volume of cheap generic medicines at lower margins in the country.

"The plan is to grow market share in India," Shailesh Ayyangar, managing director, Aventis Pharma and VP (South Asia) Sanofi-Aventis Group told ET. In late 2009, the company entered the branded generics market specially to tap the rural Indian market and double its market share to 4% by 2015.

Sanofi Aventis has launched about a dozen

generic drugs as part of the recently-launched rural marketing initiative. The prices of some of its brands such as Claforan-O, Levohexet and Ornidohext is just half of products sold by Indian firms Alkem and Cipla. Also, Japan's Daiichi Sankyo, which gained a large presence in generic space with its three-year-old acquisition of Ranbaxy has adopted a price rationalisation strategy.

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For instance, it halved the price of its anti-bacterial drug Cepodem to ₹11.90 over the last one year and launched another medicine brand Zanocin undercutting a competing product by local firm Mankind Pharma who is seen as a price fighter in the ₹47,000 crore Indian drug retail market. The Ranbaxy spokesman attributed the decisions to aligning its marketing approach to its strategy to cater to specific market segments.

Last year, Ranbaxy had launched an aggressive rural marketing program by reinforcing its sales force by an additional 1,500 executives to take its market share to about 6% from the current 4.7%.

Inclusivity

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