

Pharma industry concerned over Govt's 'policy paralysis'

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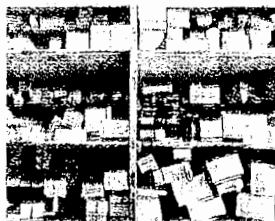
Medicine makers are not alarmed by the shadow of a slowdown cast over other manufacturing sectors.

Unlike sectors like steel or even the fast-moving consumer goods (FMCG) segment, pharmaceuticals remain largely insulated, say pharma industry representatives, even as they battle with rising input costs. What is worrisome, though, is the Government's policy paralysis, they add.

Consumption of a medicine is not by choice that you can postpone a particular event of decision to another day, says Mr Anjan Sen, Director with consultant firm, Deloitte Touche Tohmatsu. Besides, the focus on outsourcing will not go away, as developed countries, recovering from a slowdown, still need to collaborate with economical partners, he adds.

PHARMACEUTICAL SECTOR

The domestic pharmaceutical sector will continue to grow at a steady trot of about 14 per cent, though it could do much better with a little support



from the Government, he points out. The Government's long-standing commitment to increase its spending on healthcare, for instance, is still to bear fruit.

If basic healthcare programmes are implemented across the country, primary healthcare centres are well stocked up with medicines and health insurance is given a major thrust, domestic drug makers will do much better, he observed.

PARALYSIS

There is no slowdown at present, given the present demand for medicines, points out Mr D.G. Shah, with the Indian Pharmaceutical Alliance. However, given the policy paralysis of the Government, top brass at com-

panies are thinking twice before making investments in the sector, he points out.

There is uncertainty when it comes to issues like land acquisition, and while infrastructure costs immediately impact sectors like power and steel, there will be a time-lag but it will affect the pharmaceutical industry as well, he points out.

On the multinationals' side of the medicine spectrum, the Organisation of Pharmaceutical Producers of India's Mr Ranjit Shahani observes that no slowdown has been projected in the pharmaceutical sector. In the US, for instance, a slowdown impacts the over-the-counter segment. But, that is not the case in India, where the segment is still growing, says Mr Shahani, head of drug major Novartis in India.

Multinational drug-maker GlaxoSmithKline's India-chief, Dr Hasit Joshipura, too, does not see a production slowdown. While inflation and rising input costs are a worry, he says, concerns arise if there is a major change in the pharmaceutical policy.

Industry