

Pharma: data protection presents an opportunity

Intellectual capital is our strength: use it to compete

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THE pharma industry is competitively poised to take a giant leap forward. The threat to this prospect is from those who find the thought of coming out from the protectionist wall too frightening.

Our pharma industry is beginning to be noticed by the developed world, much as the IT industry has been for some time. It is already worth \$7 bn, growing at 10% every year. In the world, it is the fourth largest in terms of volume, with annual exports having crossed \$2 bn, increasing by 35% yearly.

Intellectual property can be an enormous strength. IT did that successfully and, in 25 years, changed the world's perception of India. Over 100 of the Fortune 500 companies have set up research and development centres in India.

Post licence raj, our country is beginning to unleash the potential. The benefits accrued seem large; they are yet only the tip of the iceberg. Note: ■ Moser-Baer, Noida, is the world's third largest optical media manufacturer and the lowest cost producer of CD recorders. It produces these so efficiently that European competitors filed an anti-dumping case against the company. Moser-Baer fought on its own

and won;

■ 15 of the world's major automobile manufacturers are obtaining components from India;

■ We are the world's largest manufacturer of motorcycles;

■ Rover, UK's noted automobile manufacturer, is importing over a lakh of Indian-made cars a year;

■ Aston Martin, one of the

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world's most expensive car brands, has contracted a prototype of its latest luxury sports car to an India-based designer.

This list could be lengthened for quite a while, but the point is that India's main strength is its intellectual capital. We are amongst the three countries in the world to possess supercomputers, the others being the US and Japan. We are also among the only six countries that have launched satellites. Our Insat system is the largest domestic satellite system in the world. The trade in Indian medicinal plants has crossed over

Rs 4,000 crore.

In sum, we are quick learners and gain more from alliances. It is the combination of these that have enabled us to sit on a foreign exchange reserve of over \$100 bn.

Which is why, the country needs to eagerly accept the prospect of opening up trade in pharma products and also the granting of protection to the outcome of innovation. We have the ability to turn these to our advantage. If India has to meet the challenges from newer diseases, it needs to innovate and protect its innovation.

Less than 1% of pharma companies invest upto even 2% of their total turnover in research in a year. A new drug costs anywhere between Rs 500-1,000 crore to develop abroad. India could do so in less than Rs 200 crore, by allowing firms to profit from their investment, by protecting the data generated by research for some years. Indian companies could stand to gain enormously in production of patented drugs and clinical research. MNCs, too, could save billions by contracting research to India, besides providing an important incentive to Indian scientists based abroad to return.

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