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Clinical trials: India has gene pool advantage

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In the race to attract global drug companies seeking a suitable destination to do clinical research, India could well pip its dragon competitor. And the India-advantage literally lies in its genes.

The country has a heterogeneous mix of people, unlike China's homogenous population and this could tip the balance in favour of India, said Mr Swapan Bhattacharya who heads TCG Lifesciences.

Several gene types such as Caucasians, Mogoloids and Australoids can be found in India, explained an industry representative. So if a company is looking for different gene pools in a single location, India stands to gain.

The drawback is that data is not readily available at the moment on what gene pools are available and where, he added.

At present, the global offshoring potential in life sciences and healthcare is about \$220 billion, with an annual growth rate of 8-10 per cent. India currently corners about \$280 million in this sector and can garner about \$12 billion of this pie by 2015, according to industry estimates.

India and China are becoming favoured drug-discovery and clinical research destinations for global drug companies looking to keep a firm grip on cost.

But venture capital firms too are flocking to these regions looking for opportunities, observes Mr Bhattacharya.

There is a global productivity crisis with drug companies putting out about 25 new drugs into the market in a year, half of what it used to some years ago. Global drug companies spend about 20 per cent of their sales in discovery research and they are under pressure to justify these expenses. The balance is in bringing new and innovative products into the market, keeping a grip on costs at the same time.

The recent financial support that Dr Reddy's Laboratories got from ICICI Venture is just the beginning of more such tie-ups to come, he observed.

Outlining some of the other "compelling" reasons why India beckons as a destination for research, he said, the cost of innovation in India is 1/5th to 1/7th of its cost in the US or Europe, with a higher return on investment to the research dollar.

India recently kicked-in the product-patent protection regime, it has a large base of skilled manpower and houses the highest number of manufacturing plants outside the US, having regulatory approvals from the United States Food and Drug Administration.