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Agilent India head: Declining Rupee has hit imports

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Agilent Technologies has come a long way since its inception in a garage at Palo Alto in California, US. A company that started as a spin-off of Hewlett-Packard (HP), today offers the broadest range of innovative measurement solutions focusing on four main businesses domains, including life science, chemical analysis, electronic measurement and the newly added diagnostics and genomics.

The life sciences and chemical analysis groups of the company provides application-focused solutions that include instruments, software, consumables and services that enable customers to identify, quantify and analyze the physical and biological properties of substances and products.

In an interview with *BioSpectrum*, Dr Siva Kumar Pasupathi, country business head, life sciences and chemical analysis (LSCA), Agilent Technologies, India, talks about the group's performance in India and what they expect in 2013. Excerpts from the interview:

What percentage of revenue of the life science and chemical analysis (LSCA) group comes from India?
About 60 percent of Agilent India's revenue comes from the LSCA group and 25 percent of the revenue comes from the life sciences group in India. Overall, Agilent India contributes to one percent of total revenue of Agilent.

Tell us about the Life Science Research Center at Bangalore.
The Life Sciences Research Center in Bangalore, India, supports the company globally and develops methods across markets in life sciences. The center has around 20 competent scientists from various backgrounds. The major focus at this center is pharma and the food industry. Research is undertaken either independently or jointly with external collaborators and is published in peer reviewed journals.

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What is the current focus of LSCA group in India?
The focus of LSCA group in India is to continue to provide state-of-the-art analytical technologies to its customers across markets through effective solutions. Agilent has a strong presence in food and pharma markets and in a similar manner would like to expand into other areas of the Indian market, such as environmental and material science.

What are the new trends in the healthcare industry in India?
Healthcare is one-of-the-rapidly growing businesses in India and it would continue to grow at a similar rate for several years in the future as well. In view of the huge need for quality healthcare in India, all the segments of healthcare will see an upward trend. The major technological area where healthcare will grow is molecular diagnostics.

The other key development in healthcare is the entry of analytical technologies into the clinical diagnostics laboratory. This will transform the way patient testing is done in India, leading to faster and economical laboratory testing. Currently, most of the players in analytical instrumentation industry have made an entry in this segment and this will see a major surge in the coming years. It is a huge area of opportunity.

Agilent has started expanding its presence in the diagnostics segment as well. Tell us a bit more about this segment.
The recent acquisition of Dako and its portfolio will help Agilent accelerate growth in several rapidly-expanding areas of diagnostics, as well as strengthen our existing offerings. We acquired Dako in June 2012 for $2.2 billion, following which Agilent formed a new business segment, the Diagnostics and the Genomics Group (DGG). Dako is one-of-the-leading global suppliers of cancer diagnostics tools, providing antibodies, reagents, scientific instruments and software to customers.

Does Agilent plan to have a manufacturing unit in India?
As a forward looking company, we take into account all options that are generally available. There are a lot of options and strategies that we are seeking to implement. If setting up a plant is a decent opportunity that will put us ahead of other players, then there is no harm in exploring that option.

What were some of the challenges that the company faced in 2012?
The challenges that we have faced could be similar to what the other players in the industry or most of the businesses have faced in India in 2012. Overall, the macroeconomic conditions have not been very favorable for the business. This has certainly slowed down the business since customers across markets, especially in pharma, have been very cautious in purchase.

Secondly, depreciation of the Indian rupee and appreciating value of the US dollar to around 25 percent during 2012, has had a major effect on the import of equipment. The monetary scenario has made imported equipment costlier and the customers have been very cautious in purchasing the hardware.

Lastly, the 12th-Five Year Plan fund disbursement has delayed the procurement of instruments in the academia and the research segment. This has slowed down business growth and affected the overall business expectations.

What will be your strategy for 2013?
Continued position of leadership in the markets that we serve and further consolidation of our position in the India market, is the strategy we would follow. We will certainly focus on newer markets, where we have minimal presence and provide the right solutions to our customers. We would not like to see ourselves as a box-selling company but as a solutions-selling company.