

# Dr Appaji: Pharmexcil is taking Indian Pharma to new heights

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The Pharmaceutical Export Promotion Council of India (PHARMEXCIL), set up by the Ministry of Commerce and Industry, Government of India, has been tasked with the promotion of the Indian pharmaceuticals industry around the world. Since its inception in 2004, the organization has taken several steps to boost exports in the pharma sector.

In an effort to help Indian pharma companies explore the markets in Asia Pacific, the organization recently held a three-day India-Asia Pacific International Business Meet in Hyderabad, India, which saw a participation of over 70 delegates from 15 countries. The delegates included manufacturers, distributors, importers, FDA authorities of different countries, and journalists from the region.

In an interview with BioSpectrum, Dr P V Appaji, director general, Pharmexcil, speaks about the various ways in which the organization involves itself in promoting exports in the pharmaceuticals sector and the hurdles before the industry. Excerpts from the interview:

#### Tell us about the work being done by Pharmexcil?

Pharmexcil's role is to promote Indian pharma in the international market. We get a lot of encouragement, support, and financial assistance from the commerce ministry and I am very happy to share with you that we enjoy excellent rapport with drug regulators in India and in other countries where our pharma products are exported.

The basic thing that we look at is to create business. We make sure that our exporters are well-informed about the opportunities in external markets and also share cordial relations with importers in various emerging markets, such as Africa,

South East Asia and Latin America.

Under the Central Government scheme Market Access Initiative (MAI), we take delegations once in a while to different countries to explore the markets there. We identify individual exporters (especially in the medium range) who have good facilities, potential to manufacture quality drugs and looking for markets abroad, but don't have exposure and are unaware of the procedure. We connect them with the right people in those markets.

With the help of Indian embassies abroad, we identify and approach buyers, examine their profiles and arrange their visits to India as well. At the India-Asia Pacific Pharma Business meet, reverse buyer- seller meets took place. In August, we took a delegation of 38 members to Latin America. Also, we invited 70 delegates from 15 Asia Pacific countries to visit India. FDA officials from Myanmar, Phillipines and Hong Kong also visited us. All these delegates are brought at our cost.

# How does Pharmexcil engage with pharma companies?

We wish that the strength of Indian pharma should be known and recognized. Our purpose is to develop confidence in the buyers that India is a dependable source now for generic formulations and promises quality and affordable prices on a sustained basis. The Government of India has launched a special project called Brand India Pharma to promote Indian pharma at the government level in March in Japan. A logo has been launched "Rx India" with the tagline "Pharmacy of the World".

We are encouraging companies to put this logo on their consignments of goods being sent abroad. However, there is no compulsion for them to do so. We also create market reports. We study countries, market sizes, barriers and drug registration barriers and how to handle these issues for the 3,000 companies associated with us.

## Does the organization provide financial assistance to pharma companies?

We certainly do. Importing countries may sometimes charge huge fees. For a product, registration prices may vary from Rs 10,000 to Rs 10 lakh. The government has sanctioned a scheme under MAI that reimburses 50 percent of the registration fees up to Rs 50 lakh per annum per company.

If a company has paid Rs 10 lakh to register a drug, it can come to Pharmaexcil, show the payment slip and the original registration document, and get 50 percent of the registration fees up to Rs 50 lakh per annum refunded. The best part is that this scheme is open to all irrespective of the size of the company.

#### Does Pharmexcil get involved in resolving issues related to foreign trade?

Yes. We deal with problems sometimes associated with foreign trade. Our aim is to protect the image of the country. Whenever there is a shipment problem, or any legal problem from either the exporters' side or the importers' side at the initial stage, we try to understand, verify and advice the companies involved. I can't interfere apart from providing suggestions to the companies. Beyond that it is their problem. There are times when the problem is resolved at this first stage of streamlining. Small-sized companies come to us for help and we help them as per our limit.

#### Who are the major importers of Indian drugs in Asia Pacific and abroad?

As per our latest records, Vietnam is the biggest importer followed by Philippines and Myanmar. Our goods are also exported to Australia despite the highly regulated market in that country and the market in New Zealand is picking up.

However, there is a fact that is not known to many. As per the figures in 2011, more than 55 percent of our Rs 63,000 crore exports came from the US and Europe. The US alone had 25 percent share in that Rs 63,000 crore. The US is by far the fastest growing market for us. We are trying to highlight the fact that India is not only concentrating on emerging markets. We have penetrated the markets in the West and we have a ready market available there. We have the production capacity and quality is not a problem, and hence we enjoy market there.

#### But there are concerns that Indian goods are not up to the standards?

I disagree. People say that Indian generics are below-standard. But wherever we go, we say one thing. Counterfeit is because of two things: Generic versions of a drug selling in the country even when the patent has not expired and quality. In case of patent related issues, India does not permit the drug if it is not permitted in the imported country.

So that issue is resolved. As far as poor quality is concerned, we are so sure that our quality is of high standard that we tell the clients to get the drug tested from over 30 certified drug testing labs on their own and if they still don't trust the results from these labs, they can come to us and we can get back to them within a month.

What are some of the challenges that companies face when they export their goods and how does Pharmexcil resolve those issues?

About two years ago, some legitimate consignments destined for Latin America and Africa were stopped in Europe while on transit on allegations of counterfeit and that these consignments were violating the norms. This issue was brought to us and we immediately took it up with the Government of India who took this seriously. Now, the authorities in Europe have stopped creating this problem.

Recently about a month ago, one of the exporters approached us with the complaint that a consignment destined for Latin America was seized at Miami. The Miami authority had seized two products: Levofloxacin (antibiotic) and Sildenafil (Viagra). The former consignment was released, but the other is still being held by the Miami authorities. The company came to us with the complaint and now the Government of India is looking into the issue. We do not take time when we know that things are clear from our side.

There are such issues that keep popping up and we deal with them at the earliest. Thanks to Government of India, which listens to us and takes quick calls, we maintain a good rapport with both exporters and importers.

#### What are your views on foreign direct investments (FDI) in the pharma sector?

This is not my subject. However, my perception is that FDI always helps and this system is right at least in case of large companies, because they need money for R&D and this should boost export. For SMEs, there is a huge technology requirement, and these companies have the potential but not the financial strength, so FDI will certainly help them grow.

# In Asia, which kind of drugs has the strongest market?

Nutraceuticals market is growing and so is the market for anti-bacterial medicines and oncology products. Earlier, we couldn't offer oncology products, but now India is becoming strong in oncology and demand for products in this vertical is high.