

Kemwell CMD: Retaining staff is biggest challenge

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Kemwell Biopharma, which headquartered in Bangalore, is one-of-India's largest contract manufacturers of pharmaceuticals with over 30 years of experience. The company develops and manufactures pharmaceuticals and biopharmaceuticals for some of the world's top multinational companies, including GlaxoSmithKline, Bayer, Johnson & Johnson, Novartis and Pfizer. It employs more than 1,000 employees worldwide and has seven production facilities (five in India and two in Sweden). Kemwell recently expanded into development and cGMP production of biologics, by setting up state-of-the-art manufacturing facilities and laboratories in Bangalore. Kemwell presently supplies to over 80 countries worldwide, including America, Europe, Japan and India.

BioSpectrum spoke to Mr Anurag Bagaria, chairman and managing director, Kemwell Biopharma, India, about his views on the contract research and manufacturing services (CRAMS) sector and the future plans of the company. Excerpts of the interview.

What according to you is the current market size and status of contract research and manufacturing services (CRAMS) market in India?

The current size of the CRAMS market in India is about \$4-to-4.5 billion as compared to \$80-to-90 billion globally. Comparatively, India is still a small player in the market but is swiftly growing.

Is India a preferred destination for outsourcing of manufacturing services including biologicals, and API? What are the challenges before the companies operating in the CRAMS space in India?

India is definitely an upcoming destination for outsourcing for pharmaceutical and biopharmaceutical services. The factors for this success include, a high level of compliance to GMP regulations, English-speaking and well a qualified scientific manpower, and lower costs. In order to continue to grow in the CRAMS space, India will need to provide more clarity on intellectual property (IP) protection, regulations and timelines for regulatory approvals. Furthermore, as India is becoming an ideal destination to service the emerging markets, our commerce ministry needs to move forward and finalize the free trade agreements (FTAs) with these markets.

Do you foresee global contract manufacturing organizations (CMOs) setting up their operations in India in the near future as compared to other Asian countries?

The fact that global players are setting up operations in Asia, including India, shows that the country is becoming a destination for providing these services. While India provides many advantages like skilled manpower, GMP knowledge, and substantial ancillary industry (equipment and materials suppliers), our infrastructure is a drag on our attractiveness. Furthermore, countries like Singapore and Malaysia are providing many tax incentives and access to low-cost capital that have always been a big attraction for the biopharmaceutical industry. Going forward a lot will also depend on trade barriers set up by local Asian countries that promote local manufacturing.

What kind of growth has Kemwell Biopharma witnessed in the last few years and what's your vision for the future?

Kemwell has been in the contract manufacturing business for the last 30 years, starting by supplying to the domestic market. In the last seven-to-eight years Kemwell has seen a dramatic increase in global business and has now started supplying to over 80 countries worldwide. Through the acquisition of a Pfizer manufacturing facility in Sweden and Greenfield investments in India, we have seen growth of greater than 20 percent a year. In the last two years, Kemwell has set up four new world-class facilities. These include a liquids plant that can manufacture up to 300 million bottles-per-year, a biologics drug substance manufacturing plant with 20,00l scale bioreactors, an aseptic fill-finish facility and laboratories for formulation and process development of both large and small molecules.

Where do you see more growth in India from among the various services that are provided by Kemwell and what do you think are the reasons for the same?

India has already established itself as a destination for API manufacturing. Now, large growth will come in product development services and commercial manufacturing. Kemwell itself is seeing growth in many fronts today. Our commercial manufacturing business is growing rapidly and now with the US FDA approval for our oral solids facility, we hope to further expand our business on this front. Our R&D business has grown rapidly in the last three-to-four years and will continue to grow rapidly. I strongly feel that our customers, both in India and abroad are looking at outsourcing to strategic partners rather than just suppliers. They are looking at consolidating their business to a select few partners across the globe.

Indian biologicals manufacturers have faced many issues in the last couple of years. What are your views on what these players need to do in order to overcome such issues in the future?

I personally think that the Indian biopharma industry should focus on competing on technical capability, qualities and compliance levels and superior services and products. Competing only on cost is not a long-term sustainable strategy.

What are the major challenges before Kemwell Biopharma?

Kemwell has built a young and dynamic team over the last five-to-six years and are continuing to grow the team substantially. Our biggest challenge is to attract and retain our team while continuously improving our service and quality.

What are your future plans? Where do you see Kemwell Biopharma in 2015?

Over the next few years, our goal would be to service our new customers for the biologics and fill-finish facilities as well as cater to the expanding needs of our R&D customers. We have recently hired Dr Ninad Deshpanday, who is based in the US to spearhead our pharmaceutical development activities. Under his leadership, we envision our R&D business to expand significantly. We are also actively looking at acquisitions of contract manufacturing facilities as well as contract research laboratories. By 2015, we would like to see Kemwell as a dominant player in the global biopharmaceutical outsourcing industry.