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Study: Infrastructure, policy are biggest hurdles in India

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New Delhi: The McKinsey report, commissioned by the US-India Chamber of Commerce, was released at the recently held US-India BioPharma and Healthcare Summit 2013 in Boston, US. The report points out the key areas where the Indian healthcare sector lags behind and also highlights the tremendous growth recorded by the industry.

The report highlights the serious concerns among US businesses and lawmakers over intellectual property protection in India. The report titled 'Crossing the Next Horizon: Will India play a Meaningful Role in Global Biopharma Innovation?', also pointed out the obstacles that are slowing the growth.

Clinical trials, infrastructure and policy are the biggest obstacles in driving R&D innovation in India's healthcare sector, the report identified. "While both global and Indian industry leaders opine that India's intellectual property (IP) situation needs to be addressed and clarified, they have highlighted that in fact clinical trials, infrastructure and policy are the biggest obstacles for India to meet its potential of driving R&D innovation at scale," the report said.

Mr Karun Rishi, president, US-India Chamber of Commerce, said at the event that, "This report clearly lays out the myths and facts about the biopharma innovation in India. The findings should help senior management of biopharma companies fine tune their R&D strategy and help leverage India's pockets of R&D strengths."

Many global R&D heads and CEOs emphasize the need for Indian companies to shift from 'deals' that offer only cost arbitrage to alliances that focus on innovation, quality and service, experts pointed out in the report.Ã?Â The report notes that emerging markets, such as India, can play a significant role in collaborations, providing not only more cost effective innovation, but access to new talent, technologies and assets to fill currently dry pipelines.

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The Indian healthcare sector has tripled in size during the last decade from $23 billion in 2002-to-$70 billion, but it continues to lag behind peer countries in spending, outcomes, health manpower and infrastructure.Ã?Â Within healthcare, the Indian pharma market has also shown strong growth from $6 billion in 2005-to-$18 billion Ã?Â and is expected to grow to $45 billion by 2020, the report said.

"Discussions with several global and Indian industry leaders indicate a widespread acknowledgement of India's potential for R&D innovation and while the fundamental drivers of the 'India advantage' exist, the opportunity has not played out as expected," the report said.

"India holds a vast and largely under-tapped pool of drug innovation resources and capabilities," said Dr Ajay Dhankhar, senior McKinsey partner and leader of its global R&D practice.

The report recommended that the Indian Government fix and clarify relevant policies and regulations around clinical trials and IP; focus cross-border and cross-entity collaboration on building talent and infrastructure across clinical trials, PI training and basic research.

Top pharmaceutical companies, academicians, scientists and officials from both India and the US were present at the day-long event that focused on therapeutic areas of oncology and infectious diseases.