

IBEF: India still attractive for Japanese pharma despite Daiichi Sankyo's Ranbaxy experience

Japanese drug firms eyeing international investments should not be put off by Daiichi Sankyo's turbulent ownership of Ranbaxy according to an Indian delegation in Tokyo last week to seek collaborations.

Representatives from the India Brand Equity Foundation (IBEF), Pharmexcil and the Indian Government told delegates at CPhI Japan in Tokyo that India's large, growing market is an attractive opportunity for Japanese firms.

Gurpreet Sandhu, managing director of Reva Pharma, said including "Pakistan and Bangladesh we have a market of over 1.65bn people with similar cultural backgrounds, similar disease patterns. Urbanisation is taking place, the need for healthcare is increasing and we need technology from Japan.

Both countries traditionally have a very common bondage that is Buddhism. We are bound together with a religion" he said, adding that cultural links have been strengthened by business deals by firms like Suzuki, Honda and Toyota.

Investment

India already attracts Japanese pharma cash Sandhu continued, citing investments by Eisai and Meiji Seika Pharma's acquisition of Bangalore-based Medreich last year to support his argument.

He also referenced Daiichi Sankyo's unhappy ownership of Ranbaxy arguing that: "Even a company like Daiichi Sankyo has not lost money. They sold their [Ranbaxy] stocks to Sun Pharma, so practically they have not lost money.

Sandhu described Daiichi's investment in Ranbaxy as "a strategic move and not every strategic move gives you money. But I am happy that when they sold their 8.9% stake to Sun Pharma, they made money."

"So India as a nation holds great potential...infrastructure is an area in which the Indian Government is requesting help from its Japanese counterparts" Sandhu said, adding that "in terms of R&D where we need help...to take the business of pharma forward."

Japanese R&D

Firms that partner with Indian companies also stand to benefit their experience supplying multiple global markets according to Sandhu, who suggested this is an area in which traditionally inward looking Japanese companies fall short.

"The Japanese healthcare industry is the finest in terms of R&D, you have given the world the best products. But, unfortunately, you are not the best marketers in the world" he said, adding that "you make the products but you give it to the Americans at a price you don't like."

“If you align with Indian partners in the generic area there will be a larger scale of growth [of the Japanese generics market] but also for the Japanese companies their businesses outside Japan, which is required to sustain growth.”

Indian’s attitude to foreign direct investment is also attractive according to Sandhu who said:
“We are a nation which is very liberal in repatriation. If you invest in my country you can repatriate your money, which is the need of the hour.”