Sudheendra Kulkarni – Managing Director & CEO, Ferring India, South Asia & ASEAN



We already have a manufacturing plant for APIs and are committed to building a new formulation plant and expanding our existing R&D setup to strengthen our presence and capitalise on the growth opportunities that India offers

09.01.2024

Tags: India, APAC, Ferring Pharmaceuticals

Managing director & CEO of Ferring India, Sudheendra Kulkarni, whose responsibilities have grown to cover the entire 10-country South Asia & ASEAN cluster, speaks about Ferring's Indian footprint, which includes local API production and product development, and the 18-20 percent growth the affiliate saw in 2023. He discusses the relevance of the firm's focus on reproductive medicine and maternal health in the world's most populous country and reviews the growth potential of the market.

Could you start by introducing Ferring India and its historical presence in the country?

Ferring has been in India for almost two decades and is one of the multinational companies that has a very comprehensive footprint in the country. This footprint includes local active pharmaceutical ingredient (API) manufacturing, a product development centre in Hyderabad, and strong commercial teams. Our teams in India have consistently grown over the years and we strive to continue the growth, and we also have new investments in manufacturing plants currently being built. We have around 200 dedicated employees working in our commercial operations including

highly qualified scientists in our R&D centre and local manufacturing operations.

You started in your current role about three years ago. What would you say are some of your key achievements during that time?

I joined Ferring in October 2020 during the COVID-19 pandemic. Global and local lockdowns were causing many disruptions in businesses and the economy. Our office was closed for 2-3 months during the pandemic, which made my transition feel as if I was starting from scratch. My challenge was to bring in innovation, agility, and resilience. I also needed to help our teams to take care of their own health and safety during this difficult time.

As a part of the pharmaceutical industry, we had a moral obligation to ensure the supply of our products. It was remarkable to see how the entire team supported me and showed the utmost resilience. Since the pandemic, we have recovered very well, with substantial growth, and our Indian revenues have almost doubled.

Throughout 2023 we have seen steady progress with around 18-20 percent growth. This far surpasses the 10-12 percent average growth rate for companies in emerging markets. Based on what I learned from my own role in this exceptional growth, my responsibilities have been expanded to the entire 10-countries in South Asia & ASEAN cluster, including the Philippines, Vietnam, Malaysia, Singapore, Thailand and Indonesia. We have ground operations, country teams and country general managers based out of those individual markets who have become part of the cluster team and this has been an amazing leadership journey for me.

Globally, Ferring is committed to helping people become parents and keeping mothers and babies healthy, from conception to birth. How does this mission resonate in the planet’s most populous country?

Reproductive medicine and maternal health are Ferring’s key focus areas and priorities on a global scale. Reproductive medicine focuses on building families and includes treatments for IVF as well as supporting women who are unable to conceive. Maternal health serves the mother and childbirth, includes postpartum haemorrhage treatments and mechanisms for better deliveries.

Although India is a populous country, there are many families that are not able to conceive naturally. Ferring serves these patients by providing specialised high-quality products used in

assisted reproductive technology. India remains a strong growth market for Ferring, especially considering the changing economic dynamics with more women working possibly leading to higher stress levels and this in turn may affect the ability to conceive naturally. We work closely with clinicians and medical specialists to help their patients make the right decisions.

Which other areas of Ferring's portfolio are growth drivers in India?

Apart from reproductive medicine and maternal health, Ferring is also a strong player in gastroenterology with a globally known product for inflammatory bowel disease (IBD). We are also present in uro-oncology, providing products for prostate cancer treatment, and urology where we have treatments for nocturia in elderly people and bedwetting for children. These are all strong, research-driven products that Ferring is globally known for.

What is the strategic significance of India to the global group?

India is a strategic market and has high growth opportunities both commercially and intellectually. From a global perspective this makes India a strong base for developing new products, lifecycle management, innovation, R&D and cost-effective manufacturing, all of which Ferring India prioritises.

Lars Rebien Sørensen, Ferring's chairman, described the past year as "a year of achievement and innovation," considering the FDA approval of two pioneering drugs in bladder cancer and microbiome. How far away are these two drugs from launching on the Indian market?

These two drugs have just entered the US market and will subsequently be launched in other markets in our region, such as Singapore and Thailand. India will come later, as the regulatory pathways here require local studies, data, clinical trials and registration studies.

These products are unique and crucial to the patients that need them. We are therefore working very closely with local authorities and medical fraternities to ensure their availability in India.

It should also be noted that, in terms of pricing reimbursement, India is mainly an out-of-pocket market. Patients pay for speciality products on their own, however there is also an increasing

amount of reimbursement from government agencies for certain eligible patients.

The market has a mix of mainly private and limited public healthcare insurance available which is evolving quickly to serve more patients. Most multinationals follow pricing based on purchasing power and their tiered pricing models, ensuring market-specific pricing, which helps with market access, affordability and market penetration.

Since 2018, the Indian government's Ayushman Bharat initiative has aimed to extend health insurance coverage to the lower-income segment of the population. What impact do you feel it has had thus far?

Ayushman Bharat is a very innovative and ambitious health insurance coverage program that provides an excellent model for the government to improve access to healthcare at the bottom end of the pyramid. The latest innovative and patented treatments have started to be included but given India's huge population, this is a journey that will take time to progress. With healthcare coverage we simultaneously need healthcare infrastructure, facilities, and healthcare delivery. Therefore, Ayushman Bharat is a good first step towards ensuring high level of access to treatment for everybody.

Pharma has been making a big push towards digitalisation in recent years and, given that India has the largest number of tech engineers in the world, we might assume that the country has a significant role to play. What are your thoughts?

Digital solutions are being embraced in early diagnosis, treatment algorithms and identifying the right patients at an early stage for treatment. Technology is playing a significant role in many ways. Although digitalisation is yet to be institutionalised and is still in its inception phase, there are many new AI-driven initiatives and solutions coming up.

We are often approached by the many Indian start-ups working in AI and deeptech for healthcare that can potentially help improve efficiency and economic accuracy. Today, almost all information is available at the click of a button and Indian clinicians are extremely savvy in terms of data consumption and using real-time data, which is very important.

According to the Indian Economic Survey 2021, the domestic market is expected to skyrocket from USD 42 billion in 2021 to 65 billion in 2024 and between 120 and 130 billion in 2030. How sustainable is this growth and can medium-sized, research-based European companies like Ferring contribute to and benefit from it?

India is the fifth largest economy in the world and is expected to be the third largest by 2030. This means that GDP growth is expected to be in the range of 6-7 percent in the next ten years, the highest growth rate among large economies.

The healthcare sector in India is leading on many counts, including healthcare delivery and healthcare access so I would estimate that the healthcare and pharmaceutical industry will grow by approximately 10 percent in the next ten years. This is very much possible considering the government has been highly focused on policy reforms which support the ecosystem, enabling access, facilitating collaborations, and moving the entire supply value chain to become based locally.

The cost efficiency that India brings to the table adds additional leverage for the country to offer advantages for global corporations. Like many other multinationals, this is the reason we are investing continuously in India. As I mentioned, we already have a manufacturing plant for APIs and are committed to building a new formulation plant and expanding our existing R&D setup to strengthen our presence and capitalise on the growth opportunities that India offers.

How realistic is India’s ambition to transition from a low-cost manufacturing centre to an innovation-based R&D hub?

India has become the pharmacy of the world and the country has strengthened its capabilities to manufacture in a cost-effective way. Now, we want to strengthen our innovation efficiency levels in the same way. The government is looking into ways to bring more high-tech inputs from qualified engineers and scientists working in R&D laboratories in India to facilitate innovation and progress to more complex manufacturing processes. The focus shift from volume to value is very clear.

There are encouraging private enterprises, foreign and local governments, and universities to collaborate and invest in India. COVID-19 has created new realities for everyone, so stakeholders are looking at ways to avoid overdependence on a single country within their supply chains. India fits into these new realities very well.

Is there any final message you would like to share with our global audience?

Since coming out of the COVID-19 pandemic, economic and industrial growth in India has been very robust. With the optimistic assumption that right decisions will be made in terms of ongoing geopolitical tensions I am not concerned about disruptions to this expansion.

I think the healthcare and pharmaceutical industry is going to play a major role in ensuring growth with new technological advancements and innovations. There is an inflection point between technology and healthcare and outstanding outcomes are expected to ensure less people getting sick and needing treatment, thus proactive early diagnosis is playing a vital role.

India is going to be incredibly important in the coming decade with the government initiatives being put in place and its highly skilled workforce, aided by the capital that is flowing in. As for Ferring in India, the objective is to focus on and strengthen our presence by looking at all new avenues of growth, bringing in new products and becoming one of the strongest growth engines for the global group.

See more interviews