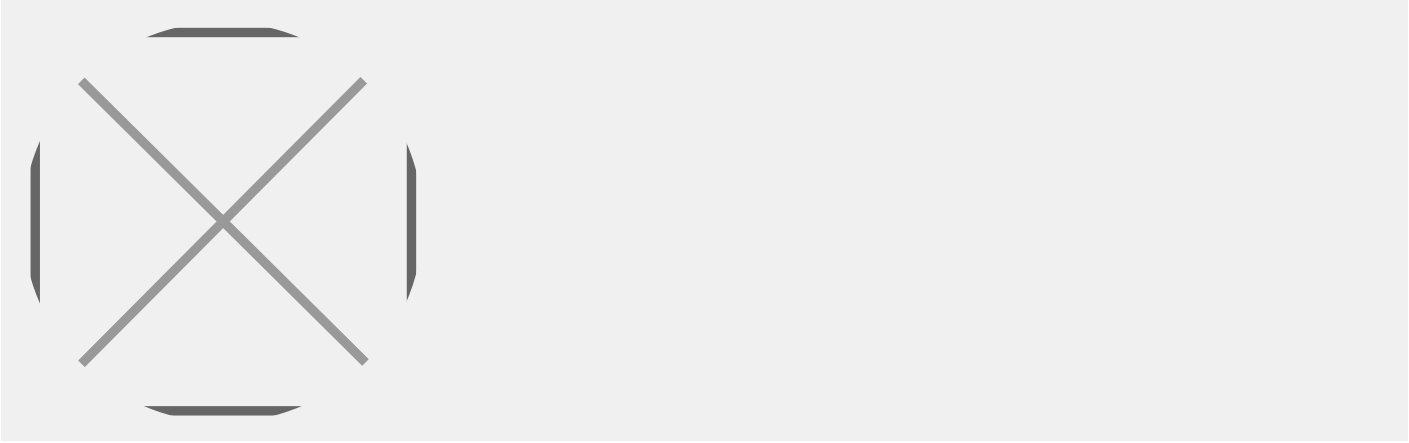
Interview with Girish L. Telang, Vice Chairman and Managing Director, Roche Products (India) Pvt. Ltd.



25.04.2011

Tags: Roche Products (India) Pvt. Ltd.

There is no doubt that India has become a country of rising opportunities. Can you first elaborate how important India has become for the Group worldwide?

India has become very important, mainly because of the rising middle class population in the country. One of the problems with India however, is the fact that the insurance sector stayed underdeveloped. Even for those that are insured today, there are many restrictions in the healthcare policies. Reimbursement thus remains a big issue in the market. Government is spending a lot of effort to give healthcare access to lower income and below the poverty line families. Yet, these efforts are aligned with national healthcare programs, and thus do not apply to every disease.

Cancer, for example, is becoming more important. The Ministry of Health has been raising money in a gradual manner to build the necessary infrastructure. For oncology in particular, Government has decided to establish regional cancer centers. Within this context, you need to understand that it remains difficult to penetrate the market with third generation oncology drugs.

The Group's performance last year was rather healthy. Can you shortly summarize what drives the growth of Roche India?

In general, we are the number one company in oncology in the country, and we have achieved solid positions in anemia and hepatitis. In India, roughly 3 percent of the population now has hepatitis, and our product Pegasys has been a key growth driver serving this niche. Next, we have

just started entering new areas such as reumatology, schizophrenia and metabolism, although these will not yet be a focus at the moment. While we are not too experienced in these segments yet, we are quite ahead in our preparations to enter these areas.

Do you feel that India is ready to ensure sufficient uptake of these new areas you are currently preparing for?

Metabolism is a huge market for diabetes, cholesterol, cardiovascular diseases, and so on. While oncology is an area that is growing at 30 to 35 percent, these new niches are already growing significantly.

Roche always says it does not want to be the biggest, but it wants to innovate. Have you seen the opportunities changing for Roche to tap into the increasing innovative character of India?

I can speak about this for hours, because innovation is the main driving force behind Roche's business. We practice innovation in the entire value chain of our pharmaceutical industry. This starts from basic research and goes all the way to the market. Innovation does not only relate to discovering molecules, it also relates to having innovative supporting strategies for the business.

Roche is different as it is not into primary care, and therefore maintains much more of a scientific approach. We are not in vitamins or anti-biotics for example, because our products are so innovative. In a non-reimbursement market, the added value is an innovative strategy. One of the biggest initiatives Roche has taken in this sense, has been to establish a diagnostics company. The close cooperation and fit between the pharmaceutical and diagnostics division is what eventually will benefit the patient.

Personalized healthcare is the future, an area in which Roche is clearly a pioneer. In India this is no different. Take HER2 testing for example, a gene that relates to breast-cancer patients. In India, roughly 22 percent of the women with breast cancer are HER2 positive. Roche has a product for this, but it is a challenge to educate people to have themselves tested in the first place. Having this mindset in the protocol of the oncologist in such a big country is not easy. In India, oncology is not separated according to the different cancer areas. In this set-up, Roche has been very successful at pursuing personalized healthcare by putting HER2 in their protocol.

Another area to consider is anemia, for which we aim to provide quality dialysis. To do so, the diagnostics arm now has a machine called Reflotron. We have installed this desktop machine in cars, vans, rural areas, etc., where patients can be tested quickly, efficiently and in an easy manner.

Roche is unique, because it truly cares for people. This is a mindset that truly flows throughout the entire organization. While there are patients that cannot afford certain medicines or treatment, this

does not mean that we will ignore them. In such cases, we will try to find a way how to increase accessibility to our drugs.

You do not find such innovative power in many other companies today. Today, also India is aligning with innovation. When the Patent Act came into force in 2005, many of the companies did not realize that it would become necessary to file patents in India. Roche, however, was very proactive in filing such patents.

The company subsequently became the first player in India to receive product patent under the new patent regime with Pegasys. While today Roche has its patents in India, it is now all about understanding the patent law, understanding the patented molecule, and ensuring the enforcement of the law. Still today, this remains a concern for us.

We are now filing for every product here, and thus already have the patents available for the few research pipelines. On the one hand, the government has shown strong intentions to respect innovation in India. On the other hand, I am not sure if there is sufficient enforcement to respect innovation.

There also remain to be some grey areas, such as the interpretation of section 3(d) of the patent law. Another issue is the absence of regulatory data protection in India.

India has become increasingly attractive for clinical trials. Roche, for example, has mainly focused on conducting trials on lung cancer here. What made India such an attractive location to do so?

Contrary to popular beliefs, clinical research in India is not cheap. When talking ethics, Roche maintains the highest standards in the industry, both in the business as well as the clinical trials.

When talking about the regulatory timelines for research in India, you will hear many different answers from industry professionals. Personally, I have not experienced much difficulty in obtaining regulatory approval for clinical trials in India. However, since India remains a developing nation, the question is sometimes raised whether the country is not being used for experiments. Because of our high ethics and strongly standardized procedures, Roche is very careful in dealing with such issues.

Roche is now aggressively looking at India as a hub for clinical trials. That is why we now have trials in oncology, dermatology, and so on.

Clearly there are growth opportunities for Roche in India, which also means you will necessarily increase your headcount. What makes Roche a unique place to work?

First of all, Roche went through 3 phases in India. After initially being established as a manufacturing business, the company outlicensed its products to Piramal in a second phase. The

third phase took off in 2004, when Roche took back these outlicensed products. And despite the fact that Roche has been present in India from almost 60 years, the company is a very young organization where the average age of the people is below 35.

Today, we have grown into a stronger player, with a powerful medical department, a strong clinical research department, a skilled salesforce as well as very strategic marketing units. We are now in oncology, transplantion / anemia, rheumatology and virology. People generally like to work within companies with such a focused approach on a few business areas, that are exclusively driven by innovative products. Moreover, within Roche in general, there is sufficient space and empowerment to work. The youth today wants to own its responsibilities and express itself, something we at Roche understand well. The combination of the above factors has worked well to retain a healthy attrition rate at Roche India.

What priorities are you setting yourself today?

If I want to grow the business, I need to increase access to healthcare. This implies partnering with the government without criticizing the system too much. I often compare this to cricket and say “We all play cricket, but we do not formulate the rules”. We are thus here to play the game and not to indulge in formulating the rules. India is no longer a place where you can come and market everything. There are very stringent FDA processes which are very well respected. Going forward, Roche India is clearly on the right path and will keep investing in the Indian market. These investments will primarily be in the areas of marketing, clinical trials and manufacturing

See more interviews