

# Interview: Annaswamy Vaidheesh - Vice President South Asia and Managing Director, GSK India

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*A successful commercial leader, Annaswamy Vaidheesh, president of OPPI, VP South Asia and managing director at GSK India, talks about the tremendous work that the local affiliate is doing in the country in making innovative products available to patients and their recent GBP 100 million investment in manufacturing.*

## **Can you give us an overview of the scope of the Indian operations of GSK in terms key therapeutic areas and key growth drivers?**

GSK has been in India for over 90 years. Most of our efforts are in the areas of anti-infectives, dermatology, GI and, obviously, we have a leadership position in vaccines. While we are well placed in the respiratory segment at global level, we have been trying to get a foothold in India in this specific therapeutic area just recently. Ten of our brands are in the top 300 brands in the country and most of them are either number one or number two in the market, with Augmentin® being the top selling drug.

India is a very unique healthcare market and, accordingly, it has a very unique epidemiological profile. Some of the products that we develop in India are not necessarily available globally. Some focus areas that are crucial for Indian patients are for instance diabetes, diseases and gut health. Regarding the latter, for instance, we tied up with a Danish company called Chr. Hansen, which is a market leader in the field of probiotics. We are also evaluating possibilities in the area of

nutraceuticals while also looking at in-licensing of some of the brands that are not doing very well in someone else's hands in other geographic areas and mark them in India even though they may not be within our global portfolio.

As far as our key growth drivers for 2018 are concerned, our focus is primarily to maintain leadership in the current therapeutic areas in which we operate as well as to develop segments which the company does not serve globally. As an example, one of our goals is to engage with physicians who are the gate keepers of our healthcare system, by ensure that we become the most prescribed brand among them, especially because there are Indian companies that did a better job than us. Furthermore, we are looking to launch some vaccines, which will lead us to be the most trusted multinational company in India. In short, we want to go faster than the current market speed.

### **What is GSK doing to make vaccines part of the public health budget in India?**

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Up until now, we never participated in the public health program as our business model is very different from other companies focusing on similar therapeutic areas. However, in terms of innovative vaccines in the country only Pfizer and GSK are contributing to the segment and we, therefore, showed our keenness to participate in the future. Our participation is also linked to our capacity to supply because when the government will take out the program it is crucial for us to be in a position to produce and supply our products in a timely manner. Needless to say, that it is in our plans to reach each and every patient in the country and grant them access to vaccines through the national organization program.

### **What type of investments has GSK India made in the country?**

Our investment area primarily in the area of manufacturing. Our footprint in manufacturing is going to be far better than what we did in the past. As an example, we are investing approximately GBP 100 million in the new manufacturing facility near Bangalore and we are upgrading our facilities in Nashik, in the state of Maharashtra. Furthermore, our current investments are focused into building the latest technologies to meet the future demands of the branded generic industry in India.

Secondly, given that India is a big scientific talent pool GSK has set up offices for regulatory work in Bangalore. Surely, we are looking at R&D capabilities here but so far, our investments have been specifically devoted to manufacturing.

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It is all about priorities. In India, for example, the priority is to ensure basic medicines for very basic diseases such as cold and cough or skin diseases are made available to patients. More than a challenge, it is a reality and there is no point in diluting our efforts in putting energy behind 'globally innovative products' if basic drugs are not available. Of course, we will continue bringing them as it is part of our strategy and our core values, but the reason why we invested in manufacturing in order to enhance our generic business capability is primarily driven by our patient-centric approach to healthcare and allow every patient to have access to basic medicines.

**As the President of the OPPI, you are an advocate for the national innovative pharma industry. How does OPPI manage the task of coordinating industry activities and stakeholder engagement across such a large, diverse and complex country, dealing with both federal and local entities?**

The Indian market is not only complex, but as I mentioned earlier it is also unique. The reason why I use the word unique is because the healthcare system as it is followed in India is not followed anywhere else in the world. In other countries, the government plays a substantial role in healthcare delivery as they set up a comprehensive healthcare system. However, in India more than 65 percent of the healthcare is made up of out-of-pocket expenditures. We have two systems: the private and the government one. Most of the government healthcare delivery is focused on granting access to medicines to common citizens, which is a huge segment of the population, primarily geared towards primary and secondary healthcare.

At OPPI, we have two objectives. Firstly, to ensure that as an industry we drive quality as a basis of healthcare and secondly the importance quality of manufacturing by working with various authorities to bring global quality standards along with ensuring that innovative drugs are made available to Indian patients.

The challenge for us is to figure out how to bring innovative medicines to the market in a way that intellectual property is protected. To this purpose we run several patient initiatives and work with hospitals to ensure innovation reaches each and every one of them. Especially, we are focused on sanitation and hygiene and neonatal mortality. To give you an example, we trained women and healthcare providers to save their children. We also participate in initiatives to eradicate diseases like lymphatic filariasis (LF) for which we are collaborating with the WHO to eliminate the disease in India.

At GSK, we focus all our decision making towards helping and improving the lives of patients. As a result, we need to interact with the stakeholders in a way that patients can benefit from it. In

Western countries, for instance, they have well established care pathways whereas in India it is based the need of the patient and accordingly the payment system and the way they get healthcare delivered varies from patient to patient across the country even though there are basic standards.

In India there are several layers of quality standards, ranging from high quality standards to minimum standards of care. We, as a company, do not differentiate between rich and poor patients as we need to deliver global standards of care. In order to do so, quite obviously our quality standards and costs are high, but not the prices of our products.

**In the World's Bank ease of doing business ranking list in 2018, India jumped 30 spots and ranked in the top 100 countries. What type of opportunities do you see for MNCs to invest in the country and GSK in particular?**

The fact that doing business in India is becoming easier is the very reason why we GSK decided to invest so much in the local affiliate. We have spoken to the Ministry and we conveyed our happiness about the way in which the government is supporting investment and speeding up our projects. I reckon India is in a good shape and we continue evaluating what else we can do. We are in the right place.

**Emerging market investors are again piling into the BRICS nations. In March 2014 GSK paid USD 1 billion to raise its stake in the Indian affiliate. Why is India so important for the group?**

Had the headquarters not realized the value behind the Indian pharmaceutical landscape as well as the potential of the Indian affiliate, they would have not made such an investment. The fact that we are getting the priority means that India is important. As GSK has shown the commitment to India for the past 90 years, I am sure the headquarters will continue doing so in the long term, too. India's economy is going strong, affordability is going up and while healthcare conditions are challenging, we are rightly placed and we know what we need to do.

**If we were to come back in five years, where do you see GSK?**

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**On a more personal note, how do you motivate your staff?**

Working in healthcare, the focus should be on how well we serve the patients. Doctors are serving the patients and our sales reps are serving the doctors and our managers are serving the reps. I

am here to serve the managers. I am here to understand what we can do well to help those who help the patients.

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