

Sudarshan Jain – Secretary General, Indian Pharmaceutical Alliance (IPA)



India has an advantage in terms of demographics, digitalisation, and democracy – which encourages and enables creativity and innovation

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As secretary general of the Indian Pharmaceutical Alliance (IPA) Sudarshan Jain represents the interests of 25 leading Indian pharmaceutical companies, both at home and abroad. He outlines the association’s focus on quality, innovation, and global reach, why the IPA is aiming to position India as a global benchmark for pharma excellence, and how its members stepped up to the plate on vaccines during the COVID-19 pandemic. With Indian healthcare on the cusp of a transformation, Jain is hugely optimistic about his industry’s future as it transitions from a philosophy of ‘Make in India’ to one of ‘Discover and Make in India, for the world.’

Can you begin by introducing yourself and your career journey up to becoming the Secretary General of the Indian Pharmaceutical Alliance (IPA)?

I’ve spent 45 years in the healthcare industry. I graduated from the Indian Institute of Management Ahmedabad, a premier management institute in the country. My journey started at Lupin, which was a rapidly growing startup when I joined in 1977. Later, I worked with Johnson and Johnson. I was part of Boots, a leading UK-based healthcare company, which was acquired by BASF and then acquired by Abbott. Post that, I moved to Piramal, which was later acquired by Abbott. I retired from Abbott in 2017 as Managing Director. I spent most of my professional career at Abbott.

I am currently associated with the Indian Pharmaceutical Alliance (IPA) as the secretary general. I'm on the board of three companies. Additionally, I provide advisory services to APAX partners, a private equity firm focused on healthcare. I also hold the position of Chair at the Indian Institute of Healthcare Management Research, Jaipur. My primary areas of focus revolve around business management, policy shaping, and education.

What are the priorities of IPA and how do they represent the key concerns of its members?

IPA represents 25 leading Indian pharma companies, collectively contributing 80 percent of the country's pharmaceutical exports, 60 percent of the domestic sales, and 85 percent of India's pharmaceutical R&D expenditure.

IPA primarily focuses on three major areas. First and foremost is Quality – focus on driving excellence in pharma by consistently elevating quality standards to position India as a global benchmark for excellence. Second is Innovation, emphasizing the shift from volume-centric approaches to value-centric strategies, making India move up the value chain. The third priority is Global Reach, which focuses on expanding our global footprint. While we presently concentrate on markets like the US, Europe, and Africa, we aim to meet healthcare needs worldwide. Simultaneously, our unwavering commitment remains steadfast in addressing the healthcare needs of the Indian population, ensuring broader access and advancing healthcare services in the country.

What are your members' views on the current growth trajectory of the market and its appeal? Is this a qualitative or just low-end quantitative growth?

Firstly, it's essential to recognize the unique characteristics of the local market. In India, healthcare is often a personal responsibility, with relatively low health insurance penetration. This distinctive aspect shapes the healthcare landscape, creating a scenario where individuals, mindful of their expenses, actively participate in healthcare decisions.

Consequently, the pricing dynamics in India set the market apart. Medicinal products in India are priced at approximately one fifth of their global counterparts. While the nominal domestic market is valued at USD 25 billion, considering these lower prices, its effective value ranges between 60 to 70 billion.

This pricing strategy has evolved over the years, leveraging large-scale manufacturing efficiency and India's prowess in chemical processes, contributing significantly to the global pharmaceutical market, accounting for 20 percent of generic medicines by volume worldwide. Historically, the government's healthcare expenditure has been relatively low, around 1.2 to 1.3 percent of GDP, but the dynamics shifted during the COVID pandemic, prompting an increase.

What are the lessons to be drawn from the COVID pandemic's impact on your country's position as a vaccine trailblazer?

During the challenging times of COVID-19, India, despite its large population of over 1.2 billion, effectively managed its healthcare system. Notably, India played a pivotal role in vaccination efforts by administering a staggering 2.2 billion vaccine doses. What stands out is the cost efficiency achieved, with each vaccine dose priced at approximately two to three dollars, significantly lower

than the global cost of mRNA vaccines, which hovers around USD 25. This cost-effective approach was crucial for ensuring broad access to vaccines. Additionally, India implemented a robust digital system, the CO-WIN application, enabling seamless tracking of vaccinations. This system prevented redundant vaccinations by maintaining a centralized record, ensuring that individuals, even when moving across cities, didn't receive duplicate doses. The success of India's vaccination program became a global benchmark.

When the pandemic unfolded on 24 March 2020, there were widespread concerns about India's ability to supply medicines globally. However, India not only met but also exceeded these expectations. The Indian pharma ecosystem stepped up to the plate and collaborated closely with all stakeholders – government, regulators, ancillary industries, channel members and other logistic partners – to ensure an uninterrupted supply of medicines around the globe.

Collaboration was the cornerstone. The pharmaceutical industry and medicines were declared essential commodities, allowing workers to continue operations. Companies focused on employee safety and prepared operational guidelines for separate accommodations, minimising travel risks, and streamlining transportation facilities.

The collective effort not only led to a consistent supply of medicines globally but also highlighted India's resilience and commitment to meeting global healthcare needs. This period reinforced the realization that India plays a pivotal role in supplying medicines while leveraging digital technology for effective healthcare management.

How did the issue of intellectual property (IP) impact vaccine availability in India when some companies like Pfizer for example elected to keep their licensing close to home?

India contributes to 60 percent of the world's vaccine demand. Companies like Serum Institute collaborated with Oxford and AstraZeneca, obtaining licenses to produce their own vaccines. Other Indian companies, such as Bharat Biotech, independently developed indigenous vaccines. In a remarkable feat, India managed to bring its own vaccines to market within a span of just 12 months.

In addition, Indian companies namely Emcure, Zydus, Dr Reddys, Bio-E, Panacea among others came up with a range of vaccines.

The journey involved not only developing the vaccines but also addressing the monumental task of vaccinating 1.2 billion people across the country. Remarkably, with only a 1.2 percent expenditure on health, significantly lower than advanced countries such as the US expenditure of 15-16 percent, India demonstrated an impressive vaccination system. The system ensured that citizens received the vaccine promptly, and within half an hour, they had a certified record on their mobiles. The government played a pivotal role, bearing the cost of vaccines, and there were no shortages. The vaccination drive reached every corner of the country, irrespective of whether it was a government facility or a private hospital. This comprehensive approach to vaccination is a case study and an example for future pandemic preparedness.

In the domain of medicine, the ethos goes beyond profit, emphasizing service to humanity. While profitability is crucial for sustaining the production of quality medicines, it is equally vital to ensure their availability when needed. India successfully navigated this delicate balance during the pandemic. The voluntary licensing agreements with global companies played a significant role. The pricing strategy was notable, in the case of Remdesivir, it was initially priced at INR 5000-6000, approximately USD 70, but rapidly was reduced to as low as USD 10, ensuring affordability. This approach contrasts starkly with the pricing dynamics in other markets around the world. The focus

during this critical time was on saving lives and making medicines accessible rather than pursuing profits, reflecting a commitment towards serving humanity.

A large prerequisite of the kind of volunteer licensing you have mentioned is having a foundation of trust between innovators and manufacturers. Are there challenges which domestic companies face, particularly in terms of regulatory compliance and quality assurance?

Quality stands as a paramount factor for us, especially with India hosting the largest number of US FDA-approved plants outside the U.S. Every third tablet in the USA and every fourth in Europe originates from India. With more than 600 US FDA-approved facilities, India has made significant strides in ensuring the quality of its medicines. For IPA, quality is a crucial focus area.

In 2015, IPA initiated the Quality Forum in collaboration with McKinsey as the knowledge partner. The forum aims to drive excellence in pharma quality through capability building, global benchmarking and sharing best practices. It fosters collaboration among member companies to strengthen quality culture. The Annual Global Summit features regulators, experts, consultants and government officials from around the world.

What would you characterize as some of the leading factors that result in the challenges of compliance that Indian manufacturers face?

The Indian pharmaceutical industry is a highly competitive market with a large number of companies and with a federal governing structure. The Indian regulators are working on multiple fronts to strengthen the overall ecosystem in terms of capability building, digitization, and streamlining regulatory framework. There is a high commitment to building a quality framework as this is of paramount importance.

As the national focus shifts from "Make in India" to "Develop in India," how are Indian companies adapting to new product development and innovation?

Innovation constitutes two-thirds of the global healthcare market space by value. India can play an important role in the evolving healthcare landscape. India has an advantage in terms of demographics, digitalisation, and democracy which encourages and enables creativity and innovation.

The Government has recently announced an R&D Policy focused on four pillars: Regulatory Reforms, Industry-Academia Collaboration, Funding and Enabling infrastructure. Innovation is a high priority for the companies to take the Indian pharmaceutical industry to the next level.

The recent success in developing the COVID-19 vaccine showcases India's potential in the innovation space. The policy framework should help to catalyze innovation from India.

How are Indian manufacturers viewing post-COVID changes in the global healthcare and life science industry, for example, the change in the US to allow Medicare and Medicaid to negotiate prices and Europe's push to become more self-reliant in production?

Maintaining a balance between innovation and accessibility is important. Innovation loses its essence if it doesn't reach the public or if it's prohibitively expensive. Another key consideration is avoiding the misuse of innovation, particularly in the context of patent abuse. For instance, extending exclusivity through multiple patents can hinder access to essential medicines. In the Indian context, where individuals typically pay for their healthcare, such an approach might not align with patient care. We are committed to making quality medicines available, accessible and affordable to people across the world.

What final message would you like to offer to our global readers on the future trajectory and opportunity of the Indian market?

The Indian healthcare ecosystem is at the cusp of change. India holds a demographic advantage with a median age of 28 years and 65 percent of the population under 35 years. India has one of the largest STEM talents graduating every year with over 110,000+ doctors and 400,00+ pharmacy graduates and around 1.5 million engineers. India has built strong digital talent and network which will help both for development of new drugs and improve access to medicines. India is committed to moving up the value chain from "Make in India" to "Discover and Make in India, for the world". This is in line with the philosophy of "Vasudhaiva Kutumbakam" which means One Earth, One Family and One Future with a focus on One Health.

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