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Poulomi Saha

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[REPRESENTATIVE IMAGE] (Photo Credits: Reuters)

Since the violent face-off in the Galwan Valley that resulted in the deaths of 20 Indian soldiers, calls to clamp down on business with China and Chinese imports are growing. That may be easier said than done.

The manufacture of drugs in India, many life-saving, is dependent on sourcing raw material or active pharmaceutical ingredients (APIs) from China. India imports 70 per cent of its APIs and intermediaries from China.

Indian pharma giants believe the outbreak of Covid-19 at the start of the year had already exposed the world's over-dependence on China. They think now is a golden opportunity to push back.

Samina Hamied, Executive Vice Chairperson, Cipla Ltd told India Today TV, "It is not a short-term or a medium-term fix. It is a longer-term fix. It is an incredible opportunity to reinvigorate our domestic API business, bring manufacturing back on shore from China. But this cannot happen overnight. This needs sustained intervention from the government. Easing the regulatory environment is the most challenging right now."

Nilesh Gupta, Managing Director at Lupin Ltd says that it was not always the Chinese that ruled the roost. "This industry did not get support in India and that's why it died. If you go back, penicillin G is a very important intermediate for anti-infectives. There used to be as many as six plants earlier. There's not one single plant that is meaningful at the moment. All of it moved to China," Gupta said.

Pharma majors are calling on the Government of India to create an enabling environment to take on China.

"If there is going to be a challenge, we cannot depend on the outside world. We have to depend on our own capability. For that, a strong innovation ecosystem is required and the government has to do what it can, including removing regulatory hurdles. Unfortunately, we are the only country in the world which requires permission to do research," Pankaj Patel, Chairman of Cadila Healthcare, which is currently working on a vaccine for Covid-19 told India Today TV.

The pharmaceutical industry believes the challenge lies in achieving scale and competitiveness

when taking on China. "This cannot just be for domestic consumption alone. It also needs to be for exports. It will take a big leap of faith to invest in this sector," Satish Reddy, President, Indian Pharmaceutical Alliance and Chairman, Dr Reddy's Laboratories adds.

Reddy says if in 10 years' time, the industry wants to touch the \$120 billion mark from the current \$41 billion, the government will have to recognise the strategic significance of the industry in times such as this.

"The pandemic has been unprecedented and I do not think any government around the world can say it was prepared for the onslaught," Samina Hamied says.

Hamied adds, "India seems to have handled it at different levels like our mortality level is low. But obviously we went into an early lockdown just to give our healthcare infrastructure a little bit more time. However, lockdown is not the panacea to a pandemic. It has to be about providing high-quality drugs at affordable prices. There is a lot of work that will have to happen between government and industry."

Nilesh Gupta summarises it thus, "There is a quote, 'adversity does not build character, it reveals character'. I think the character of the pharmaceutical industry has been truly revealed. We've really stepped up to the plate. We've made sure India does not falter."

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