

Let's make AP a tax-free zone for BT

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Many a companies are rushing to foray into biotechnology sector. There is big hype in the country about biotechnology as next business model after the software wave. Partly, this hype was created due to drop in market capitilisation of software industries and completion of Human Genome Project.

Companies in software and other industrial sectors are planning to enter into biotech business. Unfortunately, biotech business is totally different from the software and other industries mainly involving higher capital risk, aggressing approach, longer gestation period and cumbersome regulatory issues.

Biotech is an experimental field and it is like a hardware industry of the IT sector.

I would say, in all aspects, Hyderabad has become biotech hub, because about 70 per cent of biologicals like vaccines, therapeutics, and other blood-based products in the country are manufactured in Hyderabad.

Positive political commitment by the state government in the form of initiatives like Knowledge Park and Biotech Park will provide the necessary boost to the industry.

The real utilisation and appreciations of these infrastructures will be realized in due course of time.

The first two major genetically engineered production facilities in the country are from Hyderabad, which enhances global exposure of the state.

The growth of biotech industry can be further boosted if the state government insists on decentralization of unimportant regulatory issues. Whether manufacturing of research, a biotech company goes through various regulatory agencies which may be around 20 committees. In addition, many biologicals are still under the purview of both state and central government. This makes faster processing of business proposals a distant dream. If the central government would appoint a committee in co-operation with state government, it will hasten the process of regulatory work.

The Government of AP should make the state a 'no tax zone' for five years for the biotech companies. This will attract many companies to AP thus generating employment opportunities and growth of ancillary industries. If a biotech company acquires an international patent, it should be given some incentives by the state government which will make Hyderabad a Knowledge City in true sense.

From concept to a profitable organization, building a knowledge-based company requires teamwork and trust.

In the last two decades, science has changed and become a viable business. As a location for bioentrepreneurs, the United States is second to none, but increasingly, opportunities are slowly emerging in India.

A rapidly changing environment for drug discovery and Human Genome project suggests that the collaboration model is just about old enough to become new. Leveraging R&D; and technological alliances would help biotech companies sustain themselves in the long run with less capital investment and maximum return with less risk. Thus, it is critical that creating a biotechnology company that lasts depends on the ability to balance management, capital and technology.

Recent major trend in the global pharma industry has opened new challenges to Indian companies. Ever increasing size of drug companies resulting from continuous merger and acquisition (M&A;) activities is giving rise to unprecedented R&D; budgets for the MNCs.

The challenge of creating and maintaining the right environment where original discover can flourish, coupled with the inherent unpredictability of the R&D; effort, they are likely to outsource their R&D; work.

Biotech companies are the obvious partners in such endeavours thus, there are several opportunities for the bioentrepreneurs.

There has been tremendous talk on the completion of Human Genome Project and its implications in the health care field.

Various buzzwords are emerging in this field like molecular medicine, pharmacogenomics, genomics, proteomics and so on. All these fields create opportunities for investments.

Although, the human genome project is completed, mining of the data has not yet commenced. We just got alphabets A, T, C, G like our ABCD. This alphabets has to be mined into a word (codes). Various words has to be converted into a sentence (a gene).

Despite all these literature, many troubling questions like protein profiles matching with gene expression profiles and protein-protein interaction in the biological systems are unanswered and it will be difficult in the short period of time.

Besides, India is undergoing the learning curve in the regulatory issues. Unfortunately, biotech industries face 5 central ministries, 6 state ministries, 14 committees of Centre and state levels for various regulatory approvals. In addition, the committees understanding on modern biotech is suspect.

The Government of India should think of setting up a national level organization independent of government consisting of think tank of academicians and industrialists to frame guidelines, policies, and strategies for promoting research, development & production of biologicals. The organizations can follow the model of CBER under USFDA.

This will ensure that the regulatory processes are not affecting the progress of the biotechnology industry in AP.

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