

Business in India

Introduction

India may be a complex and challenging market but it is a one that cannot be ignored by UK companies that are seeking to expand and go international. India is the second fastest growing economy, after China. The business opportunities, which a few years ago, existed only in the traditional economic heartlands of Mumbai, Delhi and Bangalore have now stretched to the emerging cities of Nagpur, Ahmedabad, Chandigarh, Pune and Jaipur, to name but a few.

What are the Opportunities?

India's economy is one of the fastest expanding in the world, with a rapidly expanding consumer class. The UK has strong ties with India, and UK companies are well positioned to take advantage of this growing export and investment market.

Liberalisation of the economy continues apace, with trade barriers largely removed and the peak tariff down from 350% in 1991 to 20% in 2005. Privatisation programmes are gradually reducing the still-significant role of the public sector in the production and consumption of goods. There are 16 broad sectors in which proactive UK companies can increase their profitability and international competitiveness:

- Aerospace (civil)
- Automotive
- Agribusiness
- Biotechnology and pharmaceuticals
- Construction
- Creative and media
- Education, skills and leisure
- Engineering
- Environment
- Financial and legal services
- Healthcare and medical
- ICT
- Oil and gas
- Power
- Transport
- Water

Source: UK Trade & Investment (<http://www.ukti.gov.uk>)

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Biotechnology and Pharmaceuticals sector in India

India is fast emerging as an important player in the biotechnology sector in the Asia-Pacific Region.

Market overview

The large pool of scientific talent available at a reasonable cost, a wealth of R & D institutions, a rich and varied bio-diversity, a flourishing pharmaceutical industry, strong IT skills and an English speaking population have all placed India favourably in the global market.

The recent developments in the Biotechnology & Pharmaceutical sector in India and Indian government initiatives indicate increasing business opportunities for the UK's Biotechnology & Pharmaceutical sector. Investments, along with outsourcing activities and exports, are key drivers for growth in the biotech sector.

FDI up to 100% is permitted through the automatic route for manufacturers of drugs and pharmaceuticals:

- India is recognised as a mega bio-diversity country. Biotechnology in India offers opportunities to convert the biological resources into economic wealth and employment opportunities. India is a Bio Based economy perusing innovative products and services using efficient renewable resources.
- The Indian Biotechnology industry registered an 18.5% growth recording INR 20,440.7 Crore in revenue in 2011-2012. During the last five years, the Indian biotech industry has recorded CAGR of 14.75%
- The Indian Pharmaceutical industry has grown at 15.7% (December 2011). Globally India ranks 3rd in terms of manufacturing pharma products by volume. The Indian Pharmaceutical Industry is expected to grow at 9.5% till 2015
- BioPharma, BioServices and BioAgri are subsectors with the highest growth with 19%, 15.50% and 23.00% respectively. Some of the other subsectors in Biotech industry are BioIndustrial and BioInformatics
- Most important clusters for Biotechnology & Pharmaceuticals are Bangalore in Karnataka (South), Mumbai in Maharashtra and Ahmedabad in Gujarat (Western), Hyderabad in Andhra Pradesh (South) and Chennai in Tamil Nadu (South)
- Pharma and Biotech Industry is clustered in Western and Southern India with 44% and 40.7% market share respectively. Western India is the manufacturing hub and Southern India is the R&D hub of the sector.

Key opportunities

Opportunities for UK companies in Biotechnology and Pharmaceuticals sector in India:

- Harnessing University talent for research & development to marketing activities to bridge gap in the skills requirements of the industry
- UK's scientific expertise pool, incubation centres with seed funding to develop ideas to innovation
- Partnering with Indian companies for co-production or co- development of drugs and drug entities, platform technologies and BioPharma services. Indian companies are looking at joint ventures in developing niche areas of biosimilars
- Partnering with the UK companies in the field of Clinical research to provide better regulatory infrastructure, bio-manufacturing standards, clinical development capabilities, R & D collaborations, pre-clinical development
- Marketing and distribution services for niche products by UK companies into Indian market
- Licensing & Distribution of drugs and pharmaceutical components
- Working with the Indian regulatory framework by adding to the policies and guidelines in certain subsectors of Lifescience like Stem Cells and regenerative medicine. Supporting public, private associations in their policies would help in showcasing the strengths of UK regulatory framework

Getting into the market

UK Lifescience companies can enter the Indian Market by:

- Partnering with local companies for co-development, distribution and sales of products and services
- Visiting the companies in the local market and following up on operations and distributor activities in the local market
- Following India's regulatory norms and submitting required paperwork for approval of pharmaceutical and biotechnology products developed and marketed here
- Working with UKTI on market research and introduction to key decision makers in India
- Working with UKTI on developing an India strategy and the market entry strategy.

Source: UK Trade & Investment (<http://www.ukti.gov.uk>)

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