Joint China-India Tendering for Global Pharma Export Orders Possible Given China's Strengths in API Production, India's Capability in Formulations & Ability to Prepare Bid Documents: China Chamber

NEW DELHI, December 15, 2010. China and India could collaborate in joint tendering for global pharma export orders, given China's strengths in the production of quality Active Pharmaceutical Ingredients (API), India capability in volume production of Formulations and the ability of Indian companies to prepare documentation for global tendering, **Mr. Liu Zhanglin, Vice President, China Chamber of Commerce for Import and Export of Medicines and Health Products (CCCMHPIE),** said here today.

Addressing a meeting of Indian and Chinese pharmaceutical business leaders, organized by FICCI, Mr. Zhanglin said that very few Chinese companies were qualified to bid for global tenders. He said only two Chinese companies had been granted pre-qualification by the WHO for global tendering compared with 1,000 Indian companies. Chinese companies were also up against the language barrier, he said, adding that this could be overcome by collaborating with Indian companies.

As regards the entry of Indian companies in the Chinese market, Mr. Zhanglin said that the market demands in his country were changing and it would be critical for Indian companies to find a suitable distribution partner. The Chinese Chamber, he said, could help locate a good distribution firm if the Indian party provided the names of the finished pharma and health products that they wished to export to China.

Mr. Daara B Patel, Secretary General, Indian Drug Manufacturers' Association (IDMA), in his presentation, spoke of a win-win collaboration that could result from a strategic partnership between India and China in the field of pharmaceuticals. Such a partnership between the two countries had the potential to propel the global pharma market to US$ 1.1 trillion by 2014, he said.

Chindia (China and India), he said could ideally provide manufacturing solutions in partnership as China produces Quality APIs in huge volumes and India produces Quality Formulations in huge volumes. A strategic partnership will cover the gaps in production for each other and give both countries strategic edge over the developed countries to meet almost all global generic requirements

He said that there was generics boom in Chindia with local pharma markets in Chindia being rated among the largest in the world. Further, Chindian firms in pharma and biotech have successfully broken down the self-contained innovation chain of research, development, and manufacturing segments in western multinationals. Chindia have over 15,000 manufacturing units making quality APIs and formulations. Chindia export to almost all countries including all the regulated markets and the pharmerging markets of Chindia expected to grow collectively at 13 – 16%, with sales of US$ 105 - 115 billion.

Touching on the advantage Chinese and Indian companies would have from close collaboration, Mr. Patel said that Chindian companies could provide manufacturing solutions at less than 50% of overseas costs. Hiring a chemist abroad costs over US$ 250,000-300,000 per year as against US$ 60,000 in Chindia. The Contract Research & Manufacturing (CRAM) sector growing at 15%-20%; Chindia can produce APIs that cost 60% less than in the West; 29% of all global manufacturing output to be produced via third parties, such as in Chindia, by end-2010, as large companies continue to scale back on production and focus on core competencies and Chindia had vast groups of people ideally suited for clinical trials as many of them have not been exposed to modern medicines.

MEDIA DIVISION

Taresh Arora
Media Relations Officer
Tel : 23736307 & 23357392 (Direct)
9899115719 (Mobile)
23753119 (Fax)