

Fosun Pharma Sees 'Huge' Opportunities In India, Southeast Asia, Africa

Fosun International, led by Shanghai billionaire Guo Guangchang, has long made a name for itself through international partnerships and investments. Fosun Pharma, Fosun's pharmaceutical arm, is also stepping up its international ties, recently setting up subsidiaries in the U.S. and Europe to expand overseas research and sales. Fosun Pharma in 2017 also made an international push through the acquisition of Gland Pharma in India. I exchanged with Fosun Pharma Chairman Chen Qiyu recently about trends in the pharmaceutical industry and how India fits into his business.

Q. What will be some of the biggest trends in the pharmaceutical industry globally in the next few years? How does India fit in?

A. The global pharmaceutical industries will continuously grow in developing biologic drugs. Global pharmaceutical companies will allocate more resources to develop innovative drugs, cutting-edge med-tech, and precise medical treatment. In addition, most pharmaceutical companies will increase their R&D efficiency.

We also believe, small- to medium-sized merger and acquisition activities will increase. Post M&A and integration will differentiate the top-tier pharmaceutical companies from each other. I believe opportunity and risk co-exist. In Asia markets, we are optimistic due to the fragmented population, demand for qualified healthcare services, and the growth of health insurance.

Regarding the India market, Indian pharmaceutical companies have a competitive advantage in generics. They will increase their competitiveness on the global pharmaceutical markets and create pressure for top-tier companies, particularly from their cost structure.

Q. How did the Gland investment come about? Why did you acquire the business? How has the business performed since?

A. Fosun Pharma completed the acquisition of a 74% stake of Indian company Gland Pharma (last year). Gland Pharma is a leading Indian pure-play generic injectable pharmaceutical products company. It's also India's first injectable drug manufacturer to obtain approval from the U.S. FDA, and has obtained GMP certification from major global regulatory markets. Its revenue mainly derives from the United States and Europe. Gland Pharma currently provides injectable generic drug manufacturing services for major pharmaceutical companies worldwide through joint development and the introduction of licenses.

As I mentioned about post-M&A and integration, when we acquire (a business), we focus on

creating synergy between both companies. This integration will create more value for both parties. Fosun Pharma will accelerate the development pace of Gland Pharma by bringing R&D advantages and introducing innovative drugs. The cooperation will also (encourage) Gland Pharma to enter into new markets and provide affordable generic drugs to China. At the same time, Fosun Pharma will leverage Gland Pharma's own R&D capabilities and international drug registration capabilities, as well as Indian market's unique advantages on generic drugs policy and cost advantage, in order to facilitate the upgrading of the pharmaceutical manufacturing business and increased market share in the global generic drugs market.

Q. Do you see other opportunities in India?

A. Fosun, as a family-focused multinational company rooted in China, adheres to its globalization strategy and believes there are still huge opportunities in developing countries, for instance, India, Southeast Asia and Africa. China has grown tremendously in the past four decades; our management team believes that we can provide valuable experience contribute to another growth miracle in those markets. Current investment areas in India include travel, consumption upgrades, internet finance, logistics, among others. Investment projects including Ixigo, Delhivery and Kissht.

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