

Navigating the Shift from China: The Future of Global Pharma Supply Chains

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Sibaji Biswas, ED & CFO, Syngene International shares insights about future of global Pharma supply chain. He also emphasizes about the India's significant opportunity to emerge as a viable alternative to China, leveraging its robust pharmaceutical ecosystem and skilled workforce to attract global pharmaceutical companies.

The disruptive impact of the COVID-19 pandemic and the recent BioSecure Act have created a pivotal moment for the global pharmaceutical industry. These events have compelled organizations to re-evaluate their strategic dependencies and accelerate the drive towards diversifying supply chains away from overreliance on China.

This shift presents both opportunities and challenges for Indian Contract Research, Development and

Manufacturing organisations (CRDMOs), particularly in identifying alternative manufacturing hubs that ensure continuity and flexibility. For India, this represents a significant opportunity to emerge as a viable alternative to China, leveraging its robust pharmaceutical ecosystem and skilled workforce to attract global pharmaceutical companies.

While global pharma and biotech companies are exploring raw material supply points beyond India,

including Eastern Europe and other East Asian countries, India remains an attractive destination due to its established pharmaceutical infrastructure, competitive pricing advantages, and skilled workforce.

Building a Comprehensive Ecosystem

While India's deep-rooted expertise in chemistry, entrepreneurial spirit, and innovative drive enhances its global competitiveness, the nation requires developing a comprehensive ecosystem that supports the entire supply chain, from raw materials to finished products, including robust quality systems adhering to international standards, advanced technologies, strong collaboration, backward integration for raw materials, a skilled workforce, government support, and a focus on research and development to ensure a sustainable and globally competitive supply chain.

Companies like Syngene are already at the forefront of this transformation, attracting global partnerships and collaborations. By fostering a holistic ecosystem that ensures compliance with global quality standards, India can create a supply chain that is not only robust but also globally competitive.

The key to this ecosystem is the establishment of robust quality systems. Indian companies must adhere to stringent international standards to compete on the global stage. The adoption of Good Manufacturing Practices (GMP) and International Organization for Standardization (ISO) certifications will be essential in ensuring that Indian pharmaceutical products meet global quality benchmarks. Moreover, investing in advanced technologies such as automation, artificial intelligence (AI), and blockchain can enhance traceability, efficiency, and transparency within the supply chain.

Harnessing the Power of Collaboration

A critical aspect of building a sustainable and scalable ecosystem in the country requires earnest collaboration among pharmaceutical companies and Indian Contract Research Development Manufacturing Organizations (CRDMOs). Historically, many companies preferred sourcing from China due to lower costs and established relationships. By pooling resources, sharing knowledge, and building cohesive strategies, Indian companies can overcome these hurdles and capitalize on the opportunities presented by the current geopolitical landscape.

India has the power to build a collaborative ecosystem—one that combines the entrepreneurial spirit of generic manufacturers with the scientific prowess of CRDMOs like Syngene. This combination can create a dynamic and innovative environment, fostering growth and competitiveness.

A collaborative effort can also lead to the development of specialized pharmaceutical clusters, similar to the IT hubs in Bengaluru and Hyderabad. These clusters can provide a conducive environment for innovation, research and development (R&D), and commercialization of new drugs. By creating a network of interconnected companies, research institutions, and regulatory bodies, India can foster a vibrant ecosystem that drives growth and innovation in the pharmaceutical sector.

Leading in Inventory Management and Technological Innovation

In addition to harnessing the power of collaboration, it is imperative for the ecosystem and companies to embrace technology that will help them integrate and leverage supply chains effectively. Indian companies are now leveraging advanced technologies such as AI and machine learning to enhance forecasting and demand planning. The pandemic highlighted the critical importance of efficient inventory management and supply chain resilience. Indian companies are now leveraging advanced technologies such as AI and machine learning to enhance forecasting and demand planning, ensuring more responsive and adaptive supply chains.

Efficient inventory management and advanced technologies like AI, machine learning, Internet of Things (IoT), and blockchain enable Indian pharmaceutical companies to optimize production, reduce lead times, enhance supply chain visibility, and ensure product quality. These innovations not only strengthen supply chain resilience but also highlight India's potential to lead in pharmaceutical technology and infrastructure, solidifying its role as a global powerhouse in the industry.

Government Support: A Catalyst for Growth

The Indian government also has a crucial role to play in this transformative journey. Supportive policies and incentives can accelerate the development of a resilient pharmaceutical ecosystem. Production-linked incentive (PLI) schemes are already boosting domestic

manufacturing, but further measures are needed to sustain momentum. Furthermore, government initiatives like the “Make in India” campaign and the Atmanirbhar Bharat (self-reliant India) mission emphasize the importance of developing domestic capabilities and reducing reliance on imports.

Policies encouraging investment in infrastructure, research and development, and quality control can significantly enhance India’s global standing. Streamlined regulatory frameworks will attract global investments and position India as a preferred destination for pharmaceutical manufacturing.

A Vision for the Future

India’s emergence as a global pharmaceutical leader is not just a possibility but a strategic imperative. By leveraging its inherent strengths, fostering collaboration, and securing robust government support, India can lead the global pharma industry through this transformative period.

The future of the global pharmaceutical supply chain hinges on proactive strategies and visionary leadership. India’s commitment to innovation, quality, and collaboration will pave the way for a more secure, sustainable, and resilient global supply chain. By taking decisive action today, India can ensure a prosperous future, reducing global dependency on any single country and building a balanced and resilient global supply chain that benefits all.

The BioSecure Act has provided a unique opportunity for India to step up and become a central figure in the global pharmaceutical supply chain. By harnessing its strategic advantages, fostering collaboration, and leveraging government support, India can build a comprehensive ecosystem that supports the entire supply chain, from raw materials to finished products. This moment offers India the chance to lead the way towards a more secure, sustainable, and resilient global pharmaceutical industry. With the right strategies and a commitment to excellence, India can seize this opportunity to enhance its global standing and drive significant advancements in the pharmaceutical sector.

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