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'Insulin at ₹7 will be a gamechanger for us'

Biocon, the Bengaluru-based biopharmaceuticals major, recently said it would reduce the price of insulin to 10 cents (₹7) a day from the current $5 (₹350) for lower and middle income countries, which account for 80 per cent of global diabetes cases. **KIRAN MAZUMDAR-SHAW**, chairperson and managing director, talks to **Samreen Ahmad** on this and related issues. Edited excerpts:

Accessibility to insulin has been a concern over the years, due to its escalating price. Will reducing this to 10 cents a day be a game changer for Indian drug makers?
The 10-cents insulin is not only for India but for the global markets. However, you need economies of scale to make this profitable and it is one of our biggest strengths. Certainly, Biocon sees it as a game changer for itself and for patients round the world. At 10 cents a day, we actually can do this very profitably, by engaging directly with the government and making sure they make it accessible to patients.We have big opportunities in both the recombinant human insulin and the Glargine insulin. We currently sell recombinant human insulin only in India and some emerging markets but believe it has a much bigger need. If we bring down the price, governments can afford to give this to patients.

Why has Biocon not been able to crack the India insulin market?
It is not an easy market to tap. Most of it is a retail market, not a government procurement system. Diabetes patients in India mostly buy insulin on their own and Biocon is not a strong player in the retail market, where prices are much higher. Biocon also supplies to a lot of states through tenders. Actually, we are already supplying 10-cents insulin through these tenders.

By when will the company's new research and development (R&D) facility in Chennai become operational?
By early next year. The new centre will allow us to do research faster. Many of the 28 molecules (we are working on), including the 11 we are developing with Mylan, could be shifted to the Chennai facility for better focus. And, we could do a lot more with these, as we will have expanded capacity.

What is the company's outlook for R&D spending? Will it grow or remain stable?
We are going to contain it within 13-15 per cent (of revenue).

What is the market opportunity in the biologics business? Is the company in line with the target of achieving $1 billion in revenue from this segment by 2022?
Today, there are $260 billion worth of biologics that can become biosimilars over the next 10 years. The markets that we have been addressing with just our initial products are over $40 bn. So, the $1 bn revenue target we have set for FY22 is very realistic and doable.

Biocon had put the development of biosimilar Etanercept, used to treat arthritis, on the back burner. Last year, your partner, Mylan, tied up with Lupin on the same biosimilar. What does it mean for the firm?

Q&A

We still get the financial interest in anything that Mylan does with Etanercept. We start going with partners if we see that their programmes are more advanced than ours. Biocon had prioritised its investments in molecules such as Pegfilgrastim and Trastuzumab. Although we did some work on Etanercept, we found others were more advanced. For us, getting to the market in time is important. Hence, we did a licensing agreement with them.

At what stage are the trials for the oral insulin project?
For Type-II diabetes, the trials for which are happening in India, we have already completed phase-II and are in discussions to enter phase-III. For Type-I diabetes, the trial will commence now in Europe. It will take a year before we get a read-out on this.

What steps is Biocon taking to reduce plastic usage?
We are trying to develop a strategy where we could make people stop using disposable plastic devices and move on to reusables, which last longer but are not very convenient. Only if people are willing and responsible can we do that. Also, if we get a push-back from big pharma companies on this, it might not be possible from a commercial competitive point of view.

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Your views on the National List of Essential Medicines the government is drafting?
We need to get more and more life-saving medicines on the list. However, the government also needs to come up with a sustainable policy on how to arrive at the pricing.