

Dr Yusuf K Hamied: India's generics king

15 March 2012 | Influencers | By BioSpectrum Bureau

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Dr Yusuf K Hamied, CMD of India's largest pharma company, Cipla, has earned many unflattering epithets for building a company that "reverse engineers life saving drugs". Big pharmas, even today, describe him as a man with no respect for intellectual property while, at the same time, millions of people, the world over, have only gratitude for him. With over 2,000 generic products from Cipla made available across 183 countries, Dr Hamied has made healthcare affordable and accessible to millions of people in developing nations.

Recognizing his contributions to the life science industry, BioSpectrum conferred on him the BioSpectrum Asia Pacific Bioscience Industry Life Time Achievement Award in 2011.

Under Dr Hamied's leadership, Cipla burst onto the global pharma scene in 2001 making Triomune (first line anti-retroviral therapy for AIDS) available at less than \$1 per patient per day.

The company has been onto HIV/ AIDS since 1991 when it was approached by the Indian government to produce AZT, the only known mono-therapy to combat AIDS - a health issue that had begun to plague India. Cipla took up the challenge, and in 1993 introduced AZT at \$2 per day in India, against the then prevailing international price of over \$12 per day. However, it

was still too costly for patients in India and poor sales forced Cipla to close down AZT manufacturing.

Dr Hamied's interest in HIV was revived in 1997, when he came across the Highly Active Anti-Retroviral Therapy (HAART) Medical Report that talked about a cocktail of three drugs that was effective in managing and containing HIV. While the combination of these three drugs varied, it essentially involved taking six pills every day. All these six pills were made by different global pharma companies and all put together came at about \$30 per day. Dr Hamied took on HIV again. Working through various combinations, the Cipla team arrived at an excellent cocktail comprising Stavudine, Nevirapine and Lamivudine. It was christened Triomune. In the year 2000, Dr Hamied offered this to the international market at \$800 per patient per year against the then prevailing price of over \$10,000 per patient per year. In one stroke, he made AIDS treatment a single pill therapy at a fraction of the cost. He also came up with fixed-dose combinations.

In 2001, after he further dropped the price to \$1 per patient per day on humanitarian grounds the global pharma industry was left gaping in amazement. In mid-2001, some questions were raised on Cipla facilities not being qualified by the World Health Organization (WHO). Dr Hamied swiftly got Cipla into the act and got all the approvals in less than two years. Triomune was hailed as a major breakthrough in the fight against AIDS. Cipla had arrived and with it India's pharma industry took off to become a generics powerhouse that it is today.

Journey to the Top

Born in 1936, a year after his father, Dr K A Hamied, founded the Chemical, Industrial and Pharmaceutical Laboratories (Cipla), Dr Yusuf K Hamied was just about three years old when in 1939 Mahatma Gandhi visited Cipla to ask Hamied Senior for help. Gandhi said: Britain has approached with a promise of Independence, if India helps in the war effort. He asked Cipla to help meet the medical requirements of the British army. Cipla pitched in with Cipalon (Vitamin B12) and Quinarsol (anti-malarial). The company broke-even and turned profitable in 1940.

"The genesis of Cipla lies in that visit from Mahatma Gandhi," says Dr Hamied. That Cipla was instrumental in getting India its freedom is the story that inspires not just Dr Hamied but also each of its 20,000 employees, today. "Nation building is the job of every Indian," he says. The spirit of nationalism is at the core of all that Cipla has achieved so far.

Hamied, at 23, received his doctorate in organic chemistry from Cambridge University under the guidance of Lord Alexander Todd, who had received Nobel Prize for Chemistry in 1957, the same year Hamied joined him. In 1960, Dr Hamied came back to India to join Cipla as its research & development officer. By then, Cipla was a public limited company and "License Raj" was the order. Since, he was related to the director, an application was made to the government to allow him to join Cipla and set his salary. It took one full year to get permission, which came through in 1961 setting his salary at `1,500 for three years, after which an application was to be made for renewal. "I got my first salary after one full year at work," he recalls.

At Cipla, he rolled up his sleeves and immersed himself in learning more about chemistry, hands-on. Given that Hamied Senior was also an organic chemistry scientist, helped. But Dr Hamied considers himself largely self-taught on all fronts. It didn't take him long to learn that every major drug that he wanted to manufacture was covered by patent and that the MNCs had 85 percent of the domestic market and export of drugs from India was negligible. He also realized that active pharmaceutical ingredient (API) is more important than formulations and went on to pioneer bulk drug manufacturing in India.

The India of 1960s was still following the British Patent Act of 1911, even though Britain had amended its patent laws in 1949. He brought together like-minded souls and in 1961 Indian Drug Manufacturers Association came into being with a single point agenda - change India's patent laws. "It took 11 years to achieve this objective," he recalls. That one change which came about in 1972, led to what Dr Hamied calls the golden period of India's pharma industry. The amended Indian Patent Act of 1970 that excluded pharmaceuticals from its purview gave the pharma industry the legal freedom to manufacture and market any drug required in the country. The development led to many MNCs packing their bags, Indian companies readily filled in.

Today, India is a major supplier of APIs and formulations. The country has the highest number of FDA certified manufacturing plants. For India, Cipla played the leader in not just substituting imports but also in acquiring a reputation for high quality exports.

Future Tense

According to Dr Hamied, India has made a mistake in joining the TRIPS Agreement (trade-related aspects of intellectual property rights system) under the World Trade Organization guidelines. Even though India moved to the pharma patent regime in 2005 it covers patents granted from 1995 onwards. "On what count does India considers itself a developing nation?" he questions. Six glitzy cities do not make for development, he emphasizes. "Is there food and health for all?" he

asks adding that no one in his right mind would say that great development has taken place in India. The country's performance on Human Development Index is dismal. Food and health are still the top priority. Patent regime will begin to show its adverse impact and much of the development cycle will be reversed in the pharma industry.

"In the last three decades, MNC pharma market share declined from over 70 percent to about 20 percent while during the same period Indian companies' market share was rising in the same proportion. Now with the product patent regime, in the next 20 years, the cycle will likely be reversed back to a higher MNC market share. India is not doing enough for its industry," he laments.

For a company like Cipla, in today's scenario, double-digit growth is a tough proposition. With the product patent regime kicking in the growth potential has become limited and the pricing pressures in the generics market are killing. With growth in view, Dr Hamied has set his sights on biosimilars.

On his horizon are Roche's Herceptin and Avastin and Pfizer's Enbrel. Cipla has little expertise in biologics. The company is working on acquiring biologics expertise. Recently, it made a \$65 million investment in Shanghai-based BioMab and MabPharm located in Goa, India. For Biosimilars, Cipla would have to catch up not only on acquiring expertise but would also have to compete with MNCs and their fabled deep pockets. At 74, Dr Hamied is set to go at it - once again. However, in the last 50 years, the game has changed substantially. It will require a change of strategy to create win-win options for all. He is working at it.