

GSK invests \$136.5 mn on new unit in India

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Singapore: In a bid to increase its revenues from the emerging markets, British drug maker GlaxoSmithKline has said that it would be increasing investments in India.

Speaking at a conference in India, GSK CEO, Sir (Dr) Andrew Witty said that that company is proactively building capacity in the country to up its business in areas like gastroenterology and anti-inflammatory treatments.

GSK made it clear that with this move, it expects to increase business from emerging markets. As per a few news reports, the company is said to have picked up the site for the \$136.5 million new facility most likely in Bangalore.

The company added that the medicine manufacturing unit and warehouse construction is expected to be completed by 2017 and will employ about 250 people, increasing its current staff of 8,500 in the country. The facility would have capacity to produce up to 8 billion tablets and 1 billion capsules a year.

Last year, the British drug maker made about \$11 billion (25 percent) in revenue from emerging markets. This, after the company increased investment in its Indian consumer products affiliate to 75 percent (about \$940 million) from about 43 percent.

India, being one of GSK's main revenue drivers from this area, has faced a slow down there due to the price controls. In September this year, the company reported that many bulk sellers in major pockets of India had ceased buying its drugs, forcing the company to take on their margins under the policy.