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# Biocon says won't play the bloodbath game in Indian market for now



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**B**iocon—India's second-best performing pharmaceutical stock this year—will continue to focus on Europe and the US in 2019. That's according to chairperson and managing director Kiran Mazumdar-Shaw, who said that the domestic market isn't suitable for the company to compete in at the moment.

While Shaw plans to keep the domestic business, as it's important to build a brand in your own home market, she refuses to play the commoditising game as that's where the headwinds lie. "The kind of competitive environment there is in this country is simply not sustainable in the long term. I think these companies are playing for the short term, they're not looking for global opportunities," she told in an interview.

"I don't want to play a bloodbath game in the Indian market, for now," she said.

Biocon's share price has outperformed the Nifty Pharma Index, rising over 15 per cent in 2018. The

company has differentiated itself from India's other drugmakers, diving into the biosimilar business, which has a market in Europe and the US.

Biocon and Mylan together have a rich portfolio as they received several approvals in Europe and the US over the last two years, Shaw said, and that's where they will focus. "If you know what's happening in the biosimilar arena, almost \$30 billion is up for grabs in the next five years," she said. "And if you look at the fact that nearly \$70 billion are going off patent in the next 10 years, then you'll see the kind of opportunities we have, and I think we are very poised," Shaw added.

Even as competition builds up in these markets, the company will have an early mover's advantage. "Mylan and Biocon are extremely prepared for discounting from competition (in international markets). Most of the discounting has come from innovator companies that are in desperation trying to drop prices to

keep biosimilars out," she said. "But I don't think that can be sustained for much longer," she said.

Their real competition abroad, according to Shaw, are other biosimilar producers. However, she said there aren't too many such players as of now and there is enough space for everyone to play in.

Shaw plans to list the biosimilar entity, but the timing will depend on their need for capital.

"As you know, we are developing a pipeline of assets. We will also need capital for our marketing spends in the future," she said.

"So a lot will depend on how quickly we want to address certain market opportunities," Shaw added.

"Biocon currently has enough capital to support its plans. However, the company will go for an initial public offering to unlock value and pursue development programmes at a faster pace in the near future," Shaw said.

**Biocon's share price has outperformed the Nifty Pharma Index, rising over 15%. The firm has differentiated itself from other drugmakers, diving into the biosimilar business**