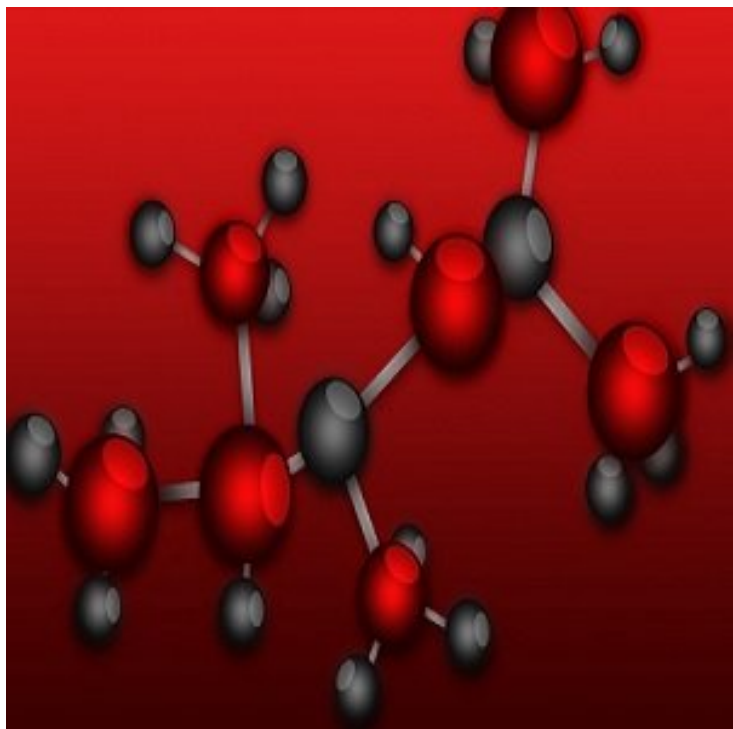


Cipla to build biotech facility in South Africa

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Singapore: Indian drug major Cipla, recently announced that its South African subsidiary will invest R1.3 billion into the country's first biotech manufacturing facility, for the production of biosimilars. This facility will be the first that Cipla establishes outside India and the company said that the move will help yield cheaper new-generation cancer drugs that even the state sector will be able to afford.

The firm further said that construction of the plant is scheduled to start in early 2017, with full operations expected to commence in the third quarter of 2018. The investment follows Cipla's 2015 launch of an R185m distribution centre in Cape Town and a R400m upgrade to its existing manufacturing site in Durban. As per reports, the new venture is to be located in the Department of Trade and Industry's special economic zone near the Durban airport, the Dube Tradeport.

At full capacity, the facility is expected to create upto 300 jobs (upto 180 high skilled jobs and 120 indirect jobs), primarily in the engineering and biological science fields. "It marks the entrance of Cipla Ltd subsidiary, Cipla BioTec, into South Africa and will be run independently of the pharmaceutical's existing manufacturing division, Cipla Medpro Manufacturing (CMM)."

Mr Steven Lehrer, Director of Cipla BioTec said in the company's press release that "Biosimilars are important to enable access to advanced cancer and autoimmune treatments. These treatments are only used by about 8 percent of patients who should be treated worldwide mainly due to the high costs of these drugs. Biosimilars are as safe and effective as the original treatment and are starting to be introduced worldwide. However, biosimilars remain too expensive for broad use outside of

major western markets. Cipla BioTec aspires to transform the biosimilars market worldwide, by significantly increasing access with its strategy of one global product standard at affordable pricing. Cipla BioTec's unique manufacturing strategy is leveraged from its in house proprietary manufacturing software and single use technology."

According to both Mr Paul Miller, CEO of Cipla Medpro and Mr Divian Govender, CEO of the proposed entity Cipla BioTec South Africa, the Indian Prime Minister, Mr Narendra Modi, is in South Africa on the 8th of July 2016 and Cipla BioTec has been invited to attend the Prime Minister's keynote address. Prior to the event, a memorandum of understanding (MOU) between Cipla BioTec Pvt Ltd and Dube Tradeport Corporation will be signed. The MOU affirms Cipla BioTec's and Dube Tradeport Corporation's commitment for the investment and outlines terms of reference for the project.

Mr Miller further explained that in South Africa, people without access to private insurance have limited or no access to any biologic medicine due to the very high prices of the innovator molecules. Currently about 1-in-50 patients in Africa, have access to biologic medication. "We are striving to reduce this number to about 1-in-5 cancer patients through the production and supply of biosimilar medication at an affordable price. This embraces Cipla ethos of advancing healthcare for all."

The biosimilars produced at the facility will be for both state and private sectors and there is also the potential to export to markets in the US, European Union and Asia, explains Miller. "The capacity of this factory will have the potential for a vast majority of the products to be exported, thereby contributing significantly to the country's economic growth and skill development."

Subhanu Saxena, MD & Global CEO, Cipla Ltd. said, Cipla's investment in this facility will enable the creation of the first Bio-cluster on the African continent. "A state-of-the-art, world class manufacturing base here in South Africa will allow opportunities for supply chain partners and related companies to get involved. This in turn will allow top-notch research efforts to stay in South Africa and attract research from international institutions as well."