

By Bruce Einhorn
Bloomberg
Businessweek
updated 12/4/2005 5:08:26 PM ET

The other disease plaguing Asia

Health risks from diabetes are more severe than avian flu

In Asia, the big health scare is avian flu. Almost every day reports appear about new outbreaks in Vietnam, Indonesia, and China. As flu season approaches and people worry about whether the virus will mutate into one that spreads from person to person, governments are announcing plans to produce their own versions of flu treatment Tamiflu in case a pandemic hits.

At the same time, another deadly disease is spreading throughout Asia, yet few people are paying attention. True, this disease is chronic, not acute, and it isn't contagious, so it's no surprise that it's not getting the sort of attention that avian flu, SARS, or AIDS commands. But without action from governments and companies in the coming years, Asia will lose millions of people to it.

The disease is diabetes. Asia is already suffering badly from it, and the problem is going to get much worse in the years ahead. Consider this prediction from a diabetes expert: "When the history of this century is written, it will be diabetes, not bird flu or HIV/AIDS, that will have had the most devastating impact on the Asia Pacific [region]."

Scary numbers

That alarm comes from Paul Zimmet, director of the International Diabetes Institute, via the China Daily, the official English-language newspaper of the Chinese government. Zimmet sees fast-growing countries such as China and India unable to handle what he believes will be a surge in diabetes cases. "With scarce health resources, Asia is ill-prepared to tackle diabetes effectively," writes Zimmet. "Unless this situation is rectified, there will be a huge economic burden on Asia."

Asia has almost half of the world's 194 million people with diabetes. India alone has 33 million and China 23 million. The U.S., according to the American Diabetes Association, has 21 million people with the disease. At first glance, those numbers seem reassuring. Since India and China each have more than 1 billion people, vs. 300 million or so in the U.S., the number of diabetes patients in each of the Asian giants is smaller on a percentage basis than in the U.S.

But with the economies in both countries growing impressively and more people adopting Western-style diets and more sedentary lifestyles, the threat posed by diabetes is only going to increase. Zimmet predicts that Asia's share of the global diabetes population will surge in the next 10 years, from the current 46 percent to 60 percent.

Reddy to help

While Zimmet is right to sound the alarm, there are some reasons for optimism. For instance, both India and China have fast-growing pharmaceutical industries. While Asia's emerging drug companies work on producing medicines for diseases that typically have gotten little attention from Big Pharma in the developed world — such as malaria, hepatitis, and dengue fever — some of are also focusing on treating the region's diabetes epidemic.

One of the most promising examples of this trend is Dr. Reddy's, the Hyderabad-based drug maker that's one of India's top pharma companies. Nasdaq-listed (RDY), Dr. Reddy's devotes most of its resources to producing new drugs or low-cost generic versions of already established drugs.

Over the summer, Dr. Reddy's launched Plermin, a drug targeted at diabetes patients that helps to heal the ulcers that often develop on their feet. When left untreated, these wounds can cause so much damage that the only option is amputation. In India, about 45,000 such amputations are needed each year.

'Save the foot'

Plermin is a version of an anti-wound gel originally made by Johnson & Johnson. It's an example of the type of drugs that Indian pharmaceutical companies used to make all the time. Starting this year, Indian law prohibits local companies from this kind of flat-out copying, but since the work on Plermin started years ago, it has been grandfathered despite the new patent regime.

Along with Plermin, Dr. Reddy's launched the "Save the Foot Initiative," a program to train doctors how to use the gel. Chief Operating Officer Satish Reddy says the company isn't expecting Plermin to be a blockbuster, given the low prices Dr. Reddy's will charge for it — less than one-tenth that of a similar product.

"Ultimately, it has the potential to reach more than \$1 million in sales a year," says Reddy, who points out that many of the company's products do \$15 million in sales a year." The company comes out with this kind of initiative once in a while, as a service to the community," he says of Plermin.

Change needed

At the same time that Dr. Reddy's is promoting Plermin in India, China's Guangdong Pharmaceutical Import Export has teamed up with AcryMed, a small company from Portland, Ore., to market an anti-wound cream designed to treat diabetes-related foot ulcers and other ailments. In October, Guangdong Pharma organized a tour for a handful of American doctors to meet with 900 MDs in Beijing, Shanghai, and Guangzhou to demonstrate how to use its product, SilvaSorb.

According to Bruce Gibbins, AcryMed's chairman and chief technology officer, the Chinese need to change the way they treat diabetes patients. "When they find patients who have problems with their feet, the institutionalize them for six to eight weeks, give them antibiotics, and keep them off their feet," he says. "But they're finding they just don't have enough beds to take care of them, so they need to find another form of treatment."

With the likelihood that China's diabetic population will grow as more and more people enter the middle class and work at office jobs while chowing down fast food, that approach won't work much longer. "It's going to be a sheer numbers game," Gibbins says. And unless something changes, he adds, "the numbers are going to overwhelm them."

New guidelines

That's why some experts in both India and China are calling for governments to not just treat diabetes once people have the disease but to help prevent it by encouraging people to adopt healthier diets. For instance, last week the United News India wire service reported that Mrudula Phadke, the vice-chancellor of the Maharashtra University of Health Sciences, spoke about the need for a greater focus on prevention. She made the call while speaking at a conference organized by the Diabetic Association of India.

On Nov. 24, China's official Xinhua news agency reported that Beijing is planning to issue new public nutrition guidelines. The following day, China Daily reported that the U.S. Centers for Disease Control & Prevention has teamed up with Beijing's Sino-Japanese Friendship Hospital to study the way changes in diet and exercise routines can help prevent diabetes. But the same article also mentioned that the number of diabetes patients in China has tripled in the past three years.

Sadly, it looks like companies that produce treatments for diabetes are likely to have a growth business in Asia for many years to come.