

WITHDRAWAL OF CUSTOMS DUTY EXEMPTION ON DRUGS' IMPORT

Govt may reverse decision

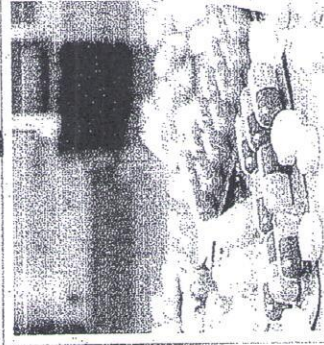
Health Ministry sets up panel as PMO intervenes

ARCHANA JYOTI ■ NEW DELHI

The Government is having second thoughts over its recent decision of withdrawing customs duty exemption on the imports of at least 74 drugs — including life-saving ones used to treat cancer, AIDS and haemophilia — following intervention from the Prime Minister's Office (PMO).

The move also follows the public hue and cry against the Finance Ministry's notification withdrawing customs duty exemption on the imports of 74 drugs that is feared to lead rise in prices of such medicines, making them out of reach of the people in need.

Sources said the Union



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Sources said the Health Ministry had done no ground work to study the Finance Ministry's proposal seeking its views on custom duty exemption on the said drugs.

Health Ministry has set up a panel to scientifically study the impact of the move, that it is against its policy of providing affordable drugs to the people and cut down out of pocket expenditure.

In fact, though the Health Ministry says that it was caught unaware by the Finance Ministry's notification issued on January 28, the sources said that the former had done no ground work to study the latter's proposal seeking its views on customs duty exemption on the said drugs.

With the PMO seeking report in the matter, the Health Ministry officials went into a huddle on Sunday and Monday, holding meetings back to back to examine the notification and its impact on the health sector.

On Sunday, Health Secretary BP Sharma, Joint Secretaries Anshu Prakash and KI Sharma among others such as officials from the DCGI and a few representatives from the pharma sector deliberated the matter to discuss next course of action. The panel will

give its recommendation in the matter soon.

Though the notification was issued last month, the issue was flagged recently by Biocon Chairperson and Managing Director Kiran Mazumdar Shaw, who in her tweet said, "Govt has introduced 22 per cent import tax on cancer and life saving drugs. Previously exempted. Is this the phasing out of exemptions by MoF? Sad."

According to her, "The Department of Revenue has issued a notification on January 28, withdrawing exemption

from import duty on a number of drugs, including cancer and other life-saving drugs. This will result in excise/import duties to the extent of over 22 per cent, which will make these drugs more expensive... There are over 75 drugs on this list. This will also impact the indigenous drugs being manufactured in SEZs, thus adversely impacting the Government's aim of making healthcare affordable and accessible to patients in India."

Experts elaborated that the move will make treatment of a multitude of diseases costlier. Apart from HIV/AIDS, cancer and haemophilia, the list includes, kidney stones, heart rhythm disorders, diabetes, Parkinson's Disease, bone diseases, bacterial infections, anesthetic medication, allergies, arthritis, lupus, menopause, glaucoma, poisoning by a chemical or pesticide, growth failure in children and ulcerative colitis.