

Concern over purchase of generic drug producers by MNCs

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Purchase of major generic drug producers by foreign multi-national companies (MNCs) may result in cartelisation and threaten the availability of low-cost drugs in the developing nations including India.

The warnings by the leading health journal *The Lancet* regarding the availability of the affordable drugs are not without reason.

In India alone, in the past four years, six major indigenous drug manufacturers were bought out by foreign MNCs at a total cost of US \$10.5 billion, the authors in the latest edition of British magazine has said.

"These purchases are a cause for concern for the Indian generics industry; the reduced competition, which is likely to result, will endanger the availability of low-cost generic drugs in India and the developing world," said lead author Anand Grover of Lawyer's Collective, an advocacy group and his colleague Brian Citro.

According to Grover, this is the way to thwart competition from generics manufacturers by the Governments of rich nations which are under pressure from MNCs.

Grover, who is the UN Special Rapporteur on the Health, says that the competition from generic companies is the key to affordable drugs and access to affordable drugs has been interpreted to be part of the right to health.

He has sought regulation of foreign investment in the drug

industry to preserve India's fundamental and constitutional rights to health for its citizens and those of the developing world.

The health rights activist notes that absence of patent protection from 1972 to 2005 allowed drug firms to use alternative non-infringing processes to manufacture generic drugs. Generic firms in India can therefore produce drugs at prices that are among the lowest in the world.

"This cost advantage means more than 89 per cent of the adult anti-retroviral drugs purchased for donor-funded programmes in the developing world are supplied by companies in India. Low prices also allow India to provide free first-line antiretroviral treatment to 340 000 people with HIV in the country," the authors said.

However, the European Union and India free-trade agreement seeks to introduce TRIPS-plus and other measures, 12 such as patent term-extensions, data exclusivity, increased border and enforcement measures, and investment-protection agreements, all of which would impede generic competition," they said in the paper on India: access to affordable drugs and the right to health.

Dr N Raghuram, associate professor of Biotechnology, Indra Prastha University agreed with them. Talking to The Pioneer, he said, "Various policy initiatives taken by the Government have been trying to take away the playing level field between Indian MNCs and small drug firms and also between Indian MNCs and Foreign MNCs.

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