



There are nearly 2,500 bulk drugs manufacturing units in India

By Mail Today Bureau

THE Chemicals and Fertilisers Ministry is working to bring medicines within the reach of the common man. Recently, the National Pharmaceutical Pricing Authority (NPPA) fixed and notified ceiling prices up to June 30, 2014, for 440 of the 680 items in the National List of Essential Medicines (NLEM) that is part of Schedule I of the Drugs (Price Control) Order of 2013 (DPCO).

"Under the provisions of DPCO 2013, the prices of scheduled formulations, which are based on NLEM issued by the Ministry of Health and Family Welfare, are required to be fixed based on market-based data and not on the basis of manufacturing cost of the medicines," Minister of State for Chemicals and Fertilisers Nihal Chand said in the Rajya Sabha.

"Significant reduction in prices has been effected on the medicines notified under DPCO 2013 as compared to the highest price prevalent prior to that, which differs from formulation to formulation," he said.

According to Para 13(2) of the DPCO, all existing manufacturers of scheduled formulations selling the

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branded or generic or both versions of scheduled formulations at a price lower than the ceiling price (plus local taxes as applicable) notified by the government shall maintain their existing maximum retail price.

The ministry is also working to fill the crucial existing gap in research and development of bulk drugs. The Centre has decided to set a National Centre for Research and Development in Bulk Drug (NCRDBD) at the National Institute of Pharmaceutical Education and Research in

Hyderabad with a project cost of over ₹52 crore and with an operating cost of over ₹37 crore for five years. Approvals for the project have been given by the government.

"The performance of the bulk drug sector is one of the critical factors that affects the overall efficiency and cost competitiveness of the pharmaceutical sector. There are nearly 2,500 bulk drugs manufacturing units in India," said a senior official in the Chemicals and Fertilisers Ministry.

The estimated turnover of

the bulk drug industry in 2012-13 was around \$12.5 billion. The industry has shown a Cumulative Annual Growth Rate (CAGR) of 17 per cent in the past three years and has a share of about 10 per cent of the global bulk drugs market of about \$ 110 billion.

However, the import of bulk drugs has seen a CAGR of 18 per cent during the past three years, indicating an increasing level of dependence on international supply for this critical input of the pharmaceutical sector. This is further compounded by the fact that more than 80 per cent of imports of Intermediate for Active PIs is from a single country.

"The centre is to be set up to urgently address these concerns and make the industry cost competitive. In the bulk drug industry, reduced processes and improved technology can help reduce costs significantly," said the official.