

Domestic pharma to lobby Modi govt

Wants new regime to stand up to the US on patent issues, cites interest in largest drug market

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The drug making sector expects the new government to take a tough stand on issues with the US.

Industry groups and even individual companies have started gearing up with presentations, to be taken up with ministers and the Prime Minister's Office as soon as a new government headed by Narendra Modi assumes charge.

The sector, largely driven by exports, clocks significant revenue from supplies to the US, the world's largest drug market. But there are some contentious issues between the two, mainly surrounding and impacting the drug manufacturing sector.

The latest report by the US Trade Representative (USTR) on intellectual property rights (IPR), termed Special 301, retained India on its Priority Watch List of alleged violators of the US patents law. Besides, the USTR announced it would conduct out-of-cycle reviews to promote engagement and progress on IPR challenges identified in the 2014 review of India.

AGENDA FOR THE NEW GOVERNMENT

The domestic pharma sector, concerned over USTR's move, is upset the outgoing UPA government failed to send a strong message on global forums. "Our government has failed to take a strong stand.

The effort was to protect India from further downgrade to 'priority foreign country', whereas the government should have asserted India be taken out of the watch list," said Indian Pharmaceutical Alliance (IPA) Secretary-General D G Shah. IPA represents 20 domestic drugmakers, including Sun Pharma, Dr Reddy's Labs and Glenmark.

According to Shah, the new Modi government is expected to have strong foreign policies and enough standing to protect interests of its sector. "It is not that only India requires the US market; they require us

more than we do and, so, these issues need to be dealt strategically," he said, adding the IPA and sector bodies will make representations to ministries and Modi.

Among other things, the USTR report raised serious concern on the future of the innovation climate in India across multiple sectors. The report urged India to promote predictability in patent laws, including the question of Section 3(d) of the Indian Patent Act and tackle "concerns" stemming from Section 84 and the Intellectual Property Appellate Board's support for the grant of compulsory licences.

This has created a stir in the domestic pharmaceutical sector, which feels the Obama administration's stand to maintain India under watch is a pressure tactic.

India is the biggest foreign supplier of generic medicines to the US, with domestic companies having 40 per cent share in the \$30-billion American generic drug and over-the-counter product market. On the other hand, it is also a significant market for Indian companies, with some leading drugmakers clocking 40-60 per cent of their consolidated sales from there.

But in the past year, there has been strain between the two nations, much of which entailed IPR-related issues in the sector. This was mainly after the apex court denied patent protection to Swiss multinational Novartis for its blockbuster anti-cancer drug Glivec in India.

