

Govt to invest Rs 90 cr in low-cost drug stores

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AS high medical costs bite the less privileged, the government has decided to expand the network of Jan Aushadhi low-cost medicine stores to 740, over the next two years.

"We have 79 Jan Aushadhi stores currently. We plan to have at least one in each district. We are planning to invest Rs 90-95 crore for these stores," Mukul Joshi, secretary, department of pharmaceuticals, said on the sidelines of India Pharma Summit. The initial investment for the stores that retail unbranded generic medicines would be made by the Centre, while space and operational expenses would be handled by respective states. "However, at present the Jan Aushadhi stores are not doing very well. Unless taken over by private sector or at least without some kind of collaboration with private players, these stores would not give great returns. Also, rentals are very high for pharma sector stores," said Rajendra Pratap Gupta, president, Disease Management Association of India.

Jan Aushadhi is a collaboration between the pharma industry and the government under which stores sell unbranded quality generic medicines at prices lower than their branded counterparts. For example, branded Diclofenac tablets sold at Rs 36.7 for a pack of

10 tablets, are available at Rs 3.1 at Jan Aushadhi stores — which is less than 10 per cent of the market price.

The Jan Aushadhi campaign will encourage doctors, especially in government hospitals to prescribe generic medicines, which can be afforded by the poor. "It's a great concept. Brands are selling products at ridiculous prices. Doctors prescribing generic names is not a threat for branded pharma retail chains as the target audience is different for branded and unbranded players," said a top official of a pharma retail chain.

The government is also in the process of formulating a code of ethics for promotion and distribution of medicines. "There should be uniform code of ethics for

all pharma companies for promotion and distribution of drugs. Initially it would be voluntary for drug companies to adopt, but will become mandatory at a later stage," added Joshi.

Meanwhile, a FICCI-IMS study released on Tuesday on the global generic market, said that India and possibly China will take control of the generic market through aggressive API (Active Pharmaceutical Ingredients) or fine chemicals intermediate supply chain strategies. The study said that since the total manufacturing cost per unit in the average Indian manufacturing unit is half of that of one in Europe, key players are looking to shift their R&D bases to these two countries.

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