

Is immunity boosting medicine hurting consumer's pocket?

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In the current pandemic situation, when affordable healthcare should be a priority, there has been an exponential rise in the prices of raw materials for immunity boosting medicines such as Vitamin C prescribed by doctors for patients.

Experts shed light on the cause of these rising prices and why patients end up paying a higher price for basic affordable vitamins which were otherwise available at reasonable prices earlier.

There have been reports about the rise in the price of Sodium Ascorbate and Ascorbic Acid - the essential Active Pharmaceutical Ingredient (API) of Vitamin-C due to supply disruptions in China.

To add to it, there has been a three-fold increase in the existing price of raw materials produced by Indian manufacturers. This has led to rise in the cost of production of these medicines, consequently, the selling price, which has been hurting consumers' pockets.

Dr. Gajendra Singh, Public Health Expert explains, "Vitamin C is best known for boosting the immune system, but it's also a powerful antioxidant with many other benefits, including fighting inflammation. It is available in forms of Ascorbic Acid, Sodium Ascorbate, Calcium Ascorbate and other mineral ascorbates. Vitamin C in form of drugs like Limcee and Celin come under the purview of Drugs Controller General of India (DCGI) and have consistently been offered at an affordable price as they are under price control being part of National List of Essential Medicines (NLEM). Vitamin C is also sold as a food supplement approved by Food Safety and Standards Authority of India (FSSAI) and the manufacturers here have had an advantage of increasing the prices owing to hike in cost of production caused due to rise in price of APIs."

Why is there a need to increase the price of medicines when Indians should be offered these medicines at affordable prices in the current time of crisis? "The problem is an increase in the prices of raw materials and Indian manufacturers as per the reports have blamed it on China. According to them, as soon as anti-dumping duty expired; China has been flooding Indian market with Vitamin C medicines. Domestic manufacturers further assert that they can suffice the needs of pharmaceutical companies in India at a competitive price. Thus, India can curb its imports from China. But this is not all as simple as it

seems. Unfortunately, the National Pharmaceutical Pricing Authority (NPPA) doesn't regulate the prices of APIs or raw materials, so they can't do much with the increase in raw material prices by these domestic players," replies Dr. Singh.

"The problem doesn't end at the price aspect. For instance, the price of the Limcee stands at Re.1.67 per tablet and there is no scope for hike in price as they come under price control. The manufacturers of this type of Vitamin C, are facing issues in producing abundant affordable medicines for the consumers when there is clearly, a huge demand," says Dr. Amir Ullah Khan, Economist, at the MCRHRD Institute of the Government of Telangana.

"If you look both ways, it is the patient that suffers. The patient does not have access to the more affordable versions as companies cannot cater to the demand because of inadequate supplies and pricing structure of the domestic raw material providers. This forces the patients to buy the higher priced versions that are not under price control. This defeats the purpose of 'Make in India'. It is good to push for self-reliance, but it is also equally critical to ensure that the domestic industry is capable of handling the needs and expectations of the millions of patients in India. Blaming the end of anti-dumping duty here is not the answer, fair business practices by domestic suppliers and the wherewithal to have adequate capacities and capabilities is the larger problem," adds Dr. Khan.

Agreeing with Dr. Khan, intellectual property lawyer Ankit Prakash, Partner, Processo Veritas Consulting (Advocates & Solicitors) says, "We can't neglect the issues faced by the pharmaceutical companies owing to the increase in prices of raw materials by domestic suppliers who have almost complete control over the market for this requirement. The patient interests are compromised because of the lack of adequate suppliers, in addition to the higher prices of non-price-controlled products. Thus, regulation in the cost of the APIs is a must as affordable medicines are every patients' right especially in the current turbulent times. Sufficient protection has already been given to the domestic industry. The answer is not to re-impose anti-dumping duty – that only allows domestic companies to monopolize the situation, even though they are not able to cater to the demand of the raw materials. It calls for policy intervention by the government to regulate the price of raw materials, while ensuring open-minded regulatory policies. This move shall also contribute to India's mission of providing affordable and accessible healthcare to the people of this country".

Prakash had, in August 2020, also engaged with the Directorate General of Trade Remedies, urging the authorities not to initiate a sunset review of the anti-dumping duty imposed on the imports of Vitamin C originating in or exported from China.