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National Pharma Policy draft aims to boost domestic manufacturing of drugs

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With the aim to boost domestic manufacturing of drugs, levy cap on trade margin, crackdown on unfair marketing practices and limit 'loan licensing' by pharma companies, the government of India has conscripted National Pharma Policy draft.

The new draft policy also focuses on creating a national list of essential medicines with the target of keeping the reachable and reasonable. This step could be marked as the beginning of a new era in Indian pharmaceutical sector. The policy also talks about setting up of a National Pharmaceuticals Pricing Authority (NPPA). The draft also aims to create an environment suitable for research and development.

The centre also plans to prescribe rules for branding drugs. Companies will be allowed to put brand names only on fixed-dose combinations. For all other drugs, they will be asked to print only the generic names.

DG Shah, Secretary General, Indian Pharmaceutical Alliance told to one of the media channels, "We are trying to form a policy without any database" and said that the industry's concerns will be forwarded to the government."

He said that while the draft policy appears to be envisaging a much wider span of control, some of the steps such as eliminating third-party manufacturing and loan licencing would hit the industry as well as the availability of medicines. “What is the extent of loan licencing in the country and what will be the impact? Preliminary calculations show that one-third of the industry is under loan licencing. If it is phased out how many people would lose employment and how would you ensure availability of these medicines?”

“This Policy would significantly contribute to the Ease of Doing Business in the pharmaceutical sector… The ‘Make-in-India’ programme would also get an impetus by the actions,” the draft policy says.

The Authority is set to lose its autonomy with increase in interference from the government. While the policy says, “The regulator and the government would be two distinct agencies. The government shall not be the regulator and the regulator shall not be the government,” yet a government-appointed advisory body, with representation from the government, industry,

as well as civil society, is being proposed.