

## **No relief for cancer patients—drugs still cost more in India**

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Mumbai: Patients on a regimen of high-value cancer drugs imported into the country continue to pay up to 35% more than the international prices—the result of import duties that are yet to be removed or reduced despite the government having exempted life-saving cancer drugs from all import duties in early 2007.

The delay seems to be a result of inter-ministerial red tape. “We have our limitations in judging the priority of these life-saving drugs. So, we are awaiting timely recommendation from the health ministry for notifying these drugs on the list,” said an official with the finance ministry who did not wish to be identified.

As a result, the government is yet to notify most of these drugs on the customs list, a document listing the specific products exempt from import duty and the level of import duty on other products.

“Though the government exempted 14 cancer drugs from countervailing duty and reduced import duty on them to as low as 5%, considering them important life-saving drugs, in the 2007 Budget, only four or five drugs have been notified on the customs list,” said a senior executive with a foreign drug company who didn’t want either his name or his company’s to be mentioned.

Doctors in India prescribe cancer drugs such as F Hoffman La Roche Ltd’s Avastin, Tarceva and Bondronate, Pfizer Inc.’s Sutent, and Aventis Pharma Ltd’s Taxotere to patients who can afford them. These drugs cost Rs1-1.5 lakh based on their maximum retail prices for a month’s treatment, inclusive of import duties. Prices of these drugs are not regulated as they belong to the so-called “new drugs” category, which doesn’t fall under existing Drug Price Control Order. Some of these drugs are protected by patents.

“We have 11 oncology medicines that are imported, four of which are exempt from duty. The duty on these medicines can be anything from 5% to 27%,” Kewal Handa, managing director of Pfizer’s Indian arm, said in an email response.

In Budget 2008, the government announced another set of reductions in the import duty on life-saving drugs and on raw material (or bulk drugs) used to make them to 5% from 10%. It also exempted these drugs from excise duty. But, so far only thyrotropin alfa injection has been notified.

In the case of the exemptions and reductions announced in 2007, notifications have been issued only in the case of cancer drugs such as paclitaxel, imatinib and a couple of recombinant products. These are generic names and the branded drugs based on these are sold here by several firms. For instance, Paclitaxel is sold by Bristol Mayor Squibb Co. as Taxol.

Girish Telang, managing director of Roche Scientific Co. India Pvt. Ltd, Roche's Indian subsidiary, said none of the company's cancer drugs has been notified yet for import duty exemption. He claimed the company is absorbing the customs duty it pays (30-35% of the price of the drug) so as to keep its drugs affordable.

Tapan Ray, director general of the Organization of Pharmaceutical Producers of India (OPPI), said the body of foreign drug makers has been requesting the government to exempt all life-saving drugs from customs duty.

"This will enable pharmaceutical companies ensure that life-saving drugs are available to patients at reduced prices," he added.

"While the process (of applying for import duty exemption) is not difficult, the possibility of applying only once a year is a handicap," said Ranjit Shahani, former OPPI president and vice-chairman and managing director of Novartis India Ltd.

"If, for example, a product is introduced after the Budget, we have to wait for the next Budget before we can apply for any relief that can be passed on to patients," he said.

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