

An ode to the Budget (& the FM)

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Dr Gopakumar G Nair

After many years of working on the "Pre-Budget Memorandum", I now know why we (the Industry) get nothing from the Budget. Our wish list is endless drab, "memo of small-small things", boring to us to start with. Just imagine the Finance Minister, who is keen to impress, keen to announce, keen to shock and these small demands mean nothing to him.

If the FM appeared in my dreams and asked me to make one single wish, I would wish as follows (with of course a Dessert which is part of the meal).

Dear FM, let me take you to the Mahabharata. The Kauravas had ditched the Pandavas who were helpless and had no clue, as they didn't want to fight their elders and their kin. Lord Krishna was asked to intercede on their behalf and he agreed to mediate and negotiate for a fair settlement. However, peaceful settlement would have had one casualty i.e., Draupadi, who had vowed that she will tidy her loose and unwashed hair only if Bhima ties it with bloodstained hands after killing the enemies. So when Lord Krishna was leaving for "Dautya" (mediation), Draupadi told him "Hey Lord, Please remember my loose hair" (she meant "Let us have war not peace").

Dear FM, when you start the pharma section of the Budget, my one and only request to you will be Oh, F.M. Don't grant me anything new, not even promise me anything new. Just give me what you promised me not in 2001, not in 2000, but please grant me what you promised me, in the 1999 Budget. You had promised to "reduce the rigors of price control and encourage R&D in Pharma Research to cope up with post-WTO/TRIPS challenges". Dear FM, please remember the plight of the Indian Pharma Industry when you start your Budget speech.

I am sure I am not asking for too much. I am only asking you to grant us what you promised in 1999. Is it too early to expect this? Or is it too late? But if I can trade in all my other teeny-weeny demands like: 1% of exports for import of R&D equipments, or Excise exemption for physicians samples; or Customs duty exemption for reference standards; and about a dozen other demands,...will you not be happy to make my one single wish you promised (in 1999-Budget & now in my dream) to come true.

And I did mention a "Dessert". It is in fact part of the main course. Just scrap the "P" out of "NPPA" and make it "NPA". By doing this you would have done a "double".

You would do a timely "good deed" which makes your life less miserable, your future budgets will receive a boost from a healthier and vibrant pharma industry operating with a little more chance for free breathing and a better break for a global presence and standing. Knowledge-based industry undoubtedly needs more oxygen (Vitamin M) to

think and innovate better. The country and its Pharma Industry will have better image, above all more production, more direct and indirect tax-payments, more people in India getting more free access to medicines - even to rural and remote corners, the benefits are endless. You would also have created a new Ministry for Pharma Industry because all it takes to encourage this knowledge-based R&D-oriented industry is to release it from the shackles of multiple controls not only in pricing policy but also in the overall health and drug policy.

Here again there is nothing new being sought for as the historical events from 1994 will justify the case.

NPPA (National Pharmaceutical Pricing Authority) was born in 1994 Drug Policy. While in all spheres and fields decontrol and liberalization ruled the roost, NPPA has been dragging the drug industry into the dumps in the last few years lately with unlimited enthusiasm. The latest example is bringing Natural Vitamin E into price control. Natural Vitamin E is d-alpha tocopherol and Synthetic Vitamin E is dl-alpha tocopherol. There is no rhyme or reason to bring in Natural Vitamin E in price control and even if there is one, fixing a ridiculous low price almost same as Synthetic Vitamin E, will force Natural Vitamin E to go the Aspirin way. By fixing unrealistic prices, NPPA is playing havoc with the consumer's right to choose. This is a challenge to Consumer Protection Act. By forcing products (which consumer needs) out of market by price-twisting, NPPA is misusing its powers. It is time to take note of the adverse and unintended impact.

It is often heard in official circles, that the Industry is to blame for the unfavourable and harsh price-cuts. Apparently no or not enough data is forthcoming from the Industry. The Industry associations are blamed for not doing enough. For this sorry state of affairs, one needs to do a bit of soul searching from both sides.

In the eighties, the Industry associations, in response to repeated government's requests, asked member firms to submit data. Assurance was given that such data won't be misused. Some members came forward and gave data. Few others doubted the "intentions" and did not give data. Those who volunteered data suffered. Some of them seriously and suffered commercial setbacks. The members blamed the Association for wrongly forcing them to submit data and consequently suffer. Promises given by officers and ministers were not kept (were broken) by their successors. Some were even vindictive.

It is for the Government to build and regain confidence of the Industry. The present trend, of course, won't help, either.

Apparently, NPPA is overstaffed and "hungry" for work. At this rate they will soon start reducing prices of all items starting with "P", once they run out of pharmaceutical items, for example, pens, pencils, paper, plastic, polymers, so on & so forth. And most of these things will vanish, as no one will make these any more. Or even if they make, they will want to cut corners. And our exports will suffer. Our foreign clients always want our

products cheaper than the domestic prices - as they are always made to believe (also from the budget) that we get lot of "incentives" (God knows what this means) on Exports.

If our global buyers want medicines cheaper than prevailing prices in India, the only option will be to give them "free". And India's share of World Trade in Pharma will come down from 1.2% to 0.X%.

To avoid all these, there is the one and only solution. Just remove one "P" and make NPPA to NPA i.e. the National Pharmaceutical Authority. This will fulfil another promise made in 1994 in the (then) New Drug Policy. Alongwith the (promised) NPPA, there was a promise of "NDA" - the National Drug Authority (which was never born except on paper). We have tasted the NPPA - Oh, my God, it is very sour bitter and it is stale. Times have changed. NDA also needs a change in name to NPA because Drugs are now Pharmaceuticals. Hence let us let go the second "P", let us let go the Bitter "NPPA" and let us go for the "NPA" and hope that "NPA" will be sweeter than the Bitter pill "NPPA".

The NPA (National Pharmaceutical Authority) will of course have a section for monitoring Drugs Prices. But it will have much more to do for the good of the country. More technical, technological, techno-commercial, regulatory, traditional and integrated systems, pharmaco-economics, pharma research, pharma patenting, making medicines in plenty in good quality and nothing but quality with abundant and uniform availability to at least 70% to 80% of the population.

Dear FM, Doesn't my dream-wish sound simple- just one wish with one "dessert".

Please grant me this wish.

May God Bless You!

P.S. I hope all other "Angel-Ministries" are also hearing our prayers including the PMO.