

## BARCODE FOR EXPORTS

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As per a DGFT notification, barcoding is going to be mandatory on all pharmaceutical products exported out of the country from July 1. This rule is expected to enable the exporters to build a track and trace capability for their medicines using barcode technology as per GS 1 global standards. The exporters will have to do this at primary, secondary and tertiary levels of packaging. GS 1 is a global organisation that designs and implement such standards for consumer products. While primary level packs will see incorporation of 2D barcodes on medicines at strip, vial and bottle encoding of unique product identification code, batch number, expiry date and serial number, similar details will have to be displayed on the secondary and tertiary (shipper or carton) using 1D or 2D barcodes. The Commerce Ministry's decision came in the wake of allegations from certain importing countries that some Indian firms are exporting counterfeit or sub-standard products. This allegation may not be totally baseless. The rule should help address quality concerns of Indian drugs, end or at least reduce counterfeit practices, and protect Indian pharmaceutical companies from counterfeiting by manufacturers in other countries. India is already a world leader in the global generic drug market exporting over \$10 billion of its production annually to more than 100 countries. With several patented drugs going off patent in 2012, India will be playing a key role as a supplier to the drug markets of the US, Europe and emerging markets.

The proposal to introduce the new rule has been under discussion since last year and the commerce ministry had sought exporters' views on the rule and its implementation. Pharmaceutical exporters especially small ones, have been objecting to the very idea of making the barcode mandatory from the very beginning. It is reported that they are moving court against the implementation of the barcode shortly. Their first objection is that barcode technology is not fool proof. They feel that it is possible for counterfeits to copy, create and use barcodes and therefore unnecessary to enforce such a code. Another argument is that it is an agenda of MNCs to stall the export of quality and affordable generics produced by Indian companies. A third objection is that it will add to the cost of exports. All these arguments are not totally baseless and there could be some truth in them. But, the attitude to oppose any reform in the industry is not a very healthy stand. Small drug companies protested against the implementation of GMP and now they are opposing adoption of Good Laboratory Practices and barcode. It seems that what is actually worrying the small exporters is the additional costs they will have to incur for adopting barcode. For many of them, this new cost burden may be unaffordable for the time being. If that is true, the government needs to look into the matter. A modified and phased implementation of the code could be less painful in that case.