

SPIC urges PM to order inquiry into barcoding being made mandatory for pharma exports

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The SME Pharma Industries Confederation (SPIC) has urged Prime Minister Dr Manmohan Singh to order an investigation into the circumstances under which the barcoding is being made mandatory for pharma exports in the country and fix responsibility for this ill-conceived idea so that export of formulations from India is not lost just the way India lost the entire bulk drugs business to China.

Seeking the Prime Minister's intervention in the matter, SPIC secretary general Jagdeep Singh said that while the ill conceived idea of barcoding is being portrayed as a step towards increasing export, it will in real terms make exports cumbersome and even impossible, increase the prices of all medicines which will deprive Indian SMEs of competitiveness in international market. This will either enable China or MNCs to take over.

Terming introduction of barcodes as a fake solution to a 'fake' problem, SPIC in its letter to the PM said that barcoding is indeed meaningless in preventing fakes as barcode providers themselves agree that barcodes cannot prevent fakes. In fact, barcoding was done by MNCs to control their inventories in different countries especially so because their MRP varied in each country. It serves no purpose of pharma SMEs in export of medicines except to increase their overheads which get loaded on the export price and adversely affects competitiveness vis-à-vis the MNCs.

Many times foreign countries import medicines from India under generic names as per pharmacopial names. Barcodes have no meaning whatsoever in such cases as non branded drugs are never counterfeited. Incidentally, DCGI is neither concerned nor empowered to insist on the registration of brand names either, it said.

Explaining the futility of the entire exercise, SPIC said that if the purpose of barcoding is to prevent fakes, it is not foolproof. Counterfeits and spurious drugs makers can copy, create and use barcodes like ATM cards which will strengthen the acceptance of fake drugs as genuine. Labels of many medicines are too small (such as Zentel and Tetanus Toxoid - 25mm x 25mm) that even legally mandatory information on ingredients, schedule with warning, batch number, price, name and address of manufacturer cannot be accommodated even if it were to serve any useful purpose.

Apprising the Prime Minister about the financial implications of barcoding, SPIC said that separate barcode has been mandated for every strip of tablets which converts into

additional cost. Cost of registration alone to each pharma SME shall be around Rs.20,000 per month apart from monthly cost of Rs.1,00,000 for barcoding for an average SME exporter. Such measures will only prevent export of affordable generics from India which tantamount to handing over the market on a platter to China or to MNCs at the cost of Indian SMEs.

It is for the importing country to demand barcoding and/or any other such stipulation while placing the order. The exporting country, especially its export agency, has nothing to do with it. Many developed countries source medicines from India on contract manufacturing basis. Their packaging norms are as per the country of import. Even the artworks of packing are sent by them which exporters in India have to adhere to. The DGFT notification kills all such exports with one stroke, SPIC said.

It added that this is not the first time when MNCs have succeeded to some extent. High quality drugs produced by Indian companies earlier have been categorized as “counterfeits” in the West if manufactured without approval from Patent holders with the purpose of stalling export of affordable generics from India. MNC sponsored propaganda mischievously has been equating “counterfeits” (essentially a patent issue) with “fake” and “spurious” drugs (a public health issue).

Vested interests consisting of anti-counterfeiting solution providers see an opportunity to make money in propagating falsehood. They provide barcoding software and packaging services (designing, printing of strips, cartons etc.). Under the pretext of protecting public health, these companies have successfully lobbied with policy makers to bring in changes which in effect will create demand for their services thus generating profits - a huge opportunity with over 90,000 brands and hundreds of crores of packs entering the market every year. They shall be making hundreds of crores of rupees year after year in India.

“Hence, we request Prime Ministerial intervention for withdrawal of Barcoding mandated for export w.e.f. July 1, 2011 in national interest”, SPIC letter said.