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Indian Firms Make Inferior Drugs for Poor Nations: Report

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India-made drugs sold in Africa are inferior and of poorer quality when compared with those sold in India and other middle income countries, alleges a new paper by an US think tank American Enterprise Institute (AEI), the findings of which are scheduled to be announced in a briefing at the Capitol Hill on Wednesday.

The paper by Roger Bate, an economist and a visiting scholar with AEI, which claims to have tested 1,470 samples of India-made drugs collected from different cities across the Africa, India and five other middle-income countries alleges that Indian drugmakers produce different quality of drugs for different markets. The study focused on antibiotics and tuberculosis drugs and hurls a grave accusation at Indian pharma companies, claiming they cut corners on quality of drugs meant for poorer countries with non-existent or under-developed regulatory framework.

This scathing attack on the quality of the Indian drugs and drugmakers comes just days before Prime Minister Narendra Modi is scheduled for US visit. Top Indian drugmakers raised doubts on the intention and timing of such a study.

"We find that a significantly higher fraction of these Indian-made drugs are of poorer quality if they were purchased from Africa than from India or from NonAfrican mid-income countries such as China, Brazil, Turkey , Thailand and Russia. These patterns persist even after we control for manufacturer fixed effects, suggesting that they are driven by variations within the same manufacturer as labeled on the package," Bate and his colleagues note in this new working paper.

Indian drug companies segment the global medicine market into portions that are served by different quality medicines, alleges the study. While the notion of "export grade" marketing is familiar in other sectors such as agriculture, it appears to exist for medicines also, with Indian manufacturers exporting lower quality goods to Africa, it further claims.

They can do this because, presumably, African regulatory oversight is weaker (resulting in fewer registered products) as compared with middle-income countries, and because of reluctance to sell the worst medicines in India itself, reasons Bate. The study, however, doesn't reveal the names of manufacturer citing its institutional review board commitments.

Indian drugmakers, however, raised serious doubts about the intent of such a 'non-transparent' study , which they said is clearly meant to malign the country and its industry . "If the researchers' real concern were quality of drugs, they could have approached the drug regulatory authorities in India and the importing countries with full

details of products, manufacturers, test methods and results," said DG Shah, secretary general of Indian Pharma Alliance, a grouping of top domestic drugmakers. They can continue to make allegations against India without even providing an opportunity to investigate their complaints of poor quality of drugs made in India,