

News

📰 The Coronavirus outbreak

'Coronavirus, a wake-up call to reduce reliance on Chinese pharma intermediates'

PT Jyothi Datta Mumbai | Updated on January 29, 2020 | Published on January 29, 2020



Bulk of drug intermediates used in medicines are sourced from China

Indian drugmakers are not pushing the panic button yet, but are closely monitoring the evolving ground situation in China, following the coronavirus outbreak.

That's because a lion's share of drug intermediates used in making finished medicines are sourced from China. And the dependence could affect medicine supplies and prices, if the coronavirus-caused lockdown in China continues or worsens, caution pharma industry veterans.

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The India pharma industry's reliance on China for its bulk drugs and active pharmaceutical ingredients (APIs) and the risk this poses to India's health security has been a subject of policy discussions for many years now, but with little follow-up action.

The current situation is a "call for action" for India to shore up its strength when it comes to drug intermediates, since India imports over 60 per cent of its requirement from China, said Sudarshan Jain, Secretary-General of the Indian Pharmaceutical Alliance, a platform for large Indian drugmakers.

Indian drugmakers may have two-three months' inventory with them, he said, and they are monitoring the evolving situation. Medicines that require fermentation technology would be the most affected, he added. Supplies and prices of vitamins and antibiotics, for example, could see a spike, if the scale of the disease and the restrictions increase, Jain pointed out.

Indian companies need to invest in increasing bulk drug capacities, and they need support and incentives from the Centre to do so, he said, hoping that the forthcoming Budget would announce supportive initiatives.

Echoing similar thoughts, Daara Patel with the Indian Drug Manufacturers' Association (IDMA), observed: "Though India is heavily dependent on China for APIs and intermediates, most Indian manufacturers will have stockpiles of supplies for about two months, expecting such emergency situations to arise. We understand that China has manufacturing units situated throughout the country and certainly not (just) in Wuhan (the epicentre of the outbreak).

"Most manufacturing units in and around Wuhan have been instructed to stop production activities for at least a week. Though the entire API manufacturing activity in China may not have shut down."

“We need to be cautious about the supplies of antibiotics and vitamins which are majorly imported from China,” he said, adding that the industry was closely monitoring the situation.

‘No need to panic’

While the coronavirus outbreak has raised concerns globally about exports of APIs from China, IDMA said there was no need for Indian formulation manufacturers or finished drug-makers to panic due to the virus.

The scale of the problem could escalate if the World Health Organization (WHO) declares the situation in China as an international public health emergency, as this would bring in more intense restrictions on travel and supplies, an industry-watcher said. As of now, the WHO has held out from calling it that.

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