Drug manufacturers hope new US govt will see them as ‘allies’

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But experts caution on resurrection of TPP with the US on board

With one in every third tablets consumed in the US being made in India, domestic drug-makers hope that the new US President, Joe Biden, sees them as a “dependable ally” in bringing down healthcare costs.
Indian pharmaceutical companies can help bring down US healthcare costs if the Government opens up procurement from them, said Sudarshan Jain, Secretary-General of the Indian Pharmaceutical Alliance, a platform for large domestic drugmakers. At present, foreign companies are not allowed to participate in Government procurement programmes, he added.

With the future of medicine being biosimilars, Indian companies can play a role in this segment as well, he pointed out.

The Covid-19 pandemic forced countries and companies to re-look at their dependence on procurement from a single country, China in this case. Jain pointed out that India and the US could work together to develop and produce Active Pharmaceutical Ingredients, an area where both countries relied heavily on China.

Some pharma industry representatives, who did not want to be named, are watching if the new President would continue with the “America First” policy. The policy direction from the Trump administration was to have companies make their products in America, to sell in the country. And, to have the lowest price at which an American company sold a drug anywhere in the world as its reference price for the US. The Trump administration had major run-ins with the US pharma industry, for instance, signing four executive orders on pricing last July to prevent what he called “global freeloadin g“.

Resurrection of TPP

Indian industry-watchers also caution on the “resurrection of the TPP (Trans-Pacific Partnership)” with the US in it. The Obama-administration-supported TPP, often described as the “mother of all
trade-deals”, involving 12 major countries including the US, Australia, Japan and Canada. But outgoing President Trump pulled the US out. The remaining 11 went ahead with a similar deal.

Pro-health voices criticised the secrecy that surrounded TPP negotiations and warned against giving too much away on health, environment and intellectual property rights (IPR), among other things.

IP expert Gopakumar Nair says that India need not shy away from trade agreements, and should instead negotiate from a position of strength, as a critical supplier of drugs and vaccines to the world.

Striking a different note, KM Gopakumar with Third World Network pointed out that the Democrats were tough negotiators and resurrection of the TPP with the US would not be in India’s interest.

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