

Business Standard

China halting flights to India could hurt pharma supplies, say companies

China supplies 60% to 70% of the raw materials used by India's drugmakers, according to an expert.

Topics

Coronavirus | India China relations | Pharmaceutical companies

Anna Edney | Bloomberg

Last Updated at May 6, 2021 05:49 IST



A health worker takes a swab at a Covid-19 testing site in Uttar Pradesh, on May 4.(Photo: Bloomberg)

Drugmakers in India are warning that a halt on some cargo flights from China could imperil an important link in the global pharmaceutical supply chain.

The U.S. relies heavily on India to stock its medicine cabinets, and any slowdown in output could leave pharmacies short of drugs used regularly by millions of Americans.

On April 26, China's state-run Sichuan Airlines suspended cargo flights to India for 15 days amid an alarming second Covid-19 outbreak there. China supplies 60% to 70% of the raw materials used by India's drugmakers, as well as ingredients for finished medicines sent to markets worldwide, according to Mahesh Doshi, national president for the Indian Drug Manufacturers' Association.

If the flights remain on hold, the drug industry fears "cascading effects on its entire supply chain," Doshi wrote in an April 29 letter to India's external affairs minister. That could lead to domestic shortages of essential medicines and have a severe impact on exports, she said.

Sichuan Airlines didn't respond to a request for comment made outside of normal business hours during a holiday in China.

Drugmakers are normally secretive about where medicines are produced. However, the U.S. Pharmacopeia, which helps the industry maintain quality controls, has started a project to pinpoint as much manufacturing as possible. Its Medicine Supply Map has identified where 77% of finished generic drugs are made, said spokeswoman Anne Bell.

There are 62 generic drugs that are produced only in India, Bell said, including several antibacterial treatments and antivirals. India also is home to 31% of active ingredient manufacturing facilities named in applications approved by the U.S., according to the U.S. Food and Drug Administration.

To this point, there haven't been any reported shortages due to the outbreak in India, but doctors and health experts have been bracing for impacts. Last year, the U.S. saw deficits of everything from sedatives to inhalers to a depression medication when the pandemic started and parts of China were locked down.

"This is very reminiscent of where we were right when Covid hit and people were like 'What's happening in China?'" said Erin Fox, a drug-shortage expert with the University of Utah who works closely with the American Society of Health-System Pharmacists. "Because there's so much opacity, we don't know exactly how we could be impacted. There isn't a lot we can do."

Sireesha Yadlapalli, regional general manager for USP in South Asia, said she has been pleased to see the industry in India hasn't yet been negatively impacted, but said that the effect of the pause on Sichuan flights could be severe.

Protecting workers

Many drug [companies](#) in India have taken steps to try to protect their workers and keep assembly lines running, even as infections soar. On Tuesday, the country had 382,146 new [coronavirus](#) cases, according

to Bloomberg data.

“As of now there is no disruption in production,” said Sudarshan Jain, secretary general of the Indian Pharmaceutical Alliance. “We don’t know the future, how further it is stretched, but at this moment we are making all preparations, working on all contingencies, to make sure that the medicines are available.”

The U.S. Food and Drug Administration has contacted drugmakers in India as infections in the country soar.

“It’s a dynamic situation,” Acting FDA Commissioner Janet Woodcock said in an interview Wednesday. “We’re going to work closely with manufacturers there. We are concerned in several ways: Will they be able to keep up production and continue to manage quality?”

Some drugmakers with plants in India have struggled to meet U.S. quality standards even before the pandemic started. FDA inspectors over the last several years have cited them for ignoring quality failures and in some cases manipulating results from testing meant to ensure drugs’ safety and effectiveness.

The agency has uncovered similar deficiencies at factories in China and in the U.S. as well, though the generic-drug industry is largely focused around India.

Teva Pharmaceutical Industries Ltd., one of the largest generic drug companies, said in a letter to customers Tuesday that the supply it originates from India hadn’t yet been interrupted and that it has contingency plans in place should shortfalls occur.

“We are closely monitoring the evolving situation in India, and are accordingly adapting our business continuity plans,” Christine Baeder, senior vice president of U.S. generics, wrote in the letter.

Teva’s factories in India aren’t among those the FDA has warned for failing to meet quality standards.

Unpredictable effects

If drug output in India slows, it could have unpredictable consequences globally. [Companies](#) in India such as Sun Pharmaceutical Industries Ltd. and Dr. Reddy’s Laboratories Ltd. make a significant share of generic medicines taken by Americans. At the same time, many U.S. and European drug giants have set up manufacturing in India, drawn by low wages and less-stringent regulation.

Sun Weidong, China’s ambassador to India, has tweeted support for India over the last week and said China is encouraging [companies](#) to help fulfill India’s need for medical supplies. On Saturday, Weidong said 61 cargo flights have operated between China and India in the previous two weeks.

#China firmly supports #India in fighting against #COVID19. We will encourage and guide Chinese companies to actively participate into the cooperation in facilitating various needed medical supplies for India.

