

Reasons Why India Is the ‘Pharmacy’ of the Developing World

Low-cost, generic medicines produced in India are helping millions of people across the world get affordable, high-quality medication.

Developing countries across the world face several challenges, key among which is providing their people with affordable medicines of high-quality. (...)

Before 2005, India did not grant product patents on medicines. This allowed for the production of low-cost, generic versions of medicines that were patented in other countries.

Indian manufacturers, with their reverse engineering skills, were the first to market low-cost versions of the life-saving cancer (Imatinib) and HIV drugs (Zidovudine) within a few years of their US launch. Robust competition among generic producers in India has resulted in a price reduction of more than 99 percent for medicines across different therapeutic areas, including Hepatitis C, HIV/AIDS, Malaria, Tuberculosis and medicines for non-communicable diseases that are critical for public health programmes.

Today, India is the world’s primary source of affordable HIV medicines as it is one of the few countries with the capacity to quickly produce newer HIV drugs as generics. These drugs are

In 2005, India adopted a strict medicines patent law that, while allowing patent protection for new pharmaceutical compounds, makes it tougher to get a patent on new forms of existing medicines.

The law was designed with the objective of stopping drug giants from indulging in ‘evergreening,’ an unfortunately common and abusive patenting practice in the pharmaceutical industry. India chose to prioritise access to medicines over the business interests of the pharmaceutical industry.

This public health approach to setting strict patent standards is in line with international trade rules and encourages timely entry of affordable generics into the market, driving prices down.

The prices of medicines in the United States are one of the highest in the world because US laws and policies blindly favour pharmaceutical companies over generic competition, allowing multiple and extended monopolies on the same medicine, leading to exorbitant prices for lengthy periods of time. On the other hand, India’s policy and lawmakers have identified generic competition as the strongest and most effective force to reduce drug prices. Having fewer patents in India means more generic competition, which means more affordable medicines for people and governments in developing countries.

In contrast to India’s stricter patentability criteria, the U.S. allows the practice of ‘evergreening’ that helps delay generic competition and keeps prices high. It is a common tactic by which the pharmaceutical industry extends their monopoly on drugs beyond the original patent’s 20 years. Long monopoly of a single company in the US keeps prices high because generic competition is blocked.

The infographic below highlights the sky-high prices of patented drugs in the US vs low-cost Indian generics (Source: [Pixabay](#))

DISEASE & DRUG	PATENTED MEDICINE		GENERIC MEDICINE	
	Cost per person per month (\$)			
HIV Tenofovir/ Emtricitabine/ Efavirenz	2,500		12	
Hepatitis C Sofosbuvir+ Daclatasvir	49,000		151	
Chronic myeloid leukemia (CML) Imatinib	8,860		66	
Lung cancer Erlotinib	6,658		161	
Kidney, Liver cancer Sorafenib	11,595		111	
Drug-resistant TB Linezolid	9,233		30	
Asthma & COPD Fluticasone Propionate & Salmeterol	300		4	
Hepatitis B Entecavir	1259		35	