

# INDIAN PHARMACEUTICALS AND AFRICA: A CASE STUDY OF CIPLA

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The growth and development of the Indian pharmaceutical industry is a reflection of its ability to leverage the country's competitive advantage in knowledge-based and high-skill industries. One manifestation of its growth is its successful penetration of the generic drugs market in developed economies. Another, particularly important in the context of economic relationship between India and Africa, is its success in delivering low-cost therapies to deal with significant health problems in the region.

The Indian generic drug industry has been supplying not only its own people but those in many other developing nations with those affordable high quality drugs since the 1970s. However, that situation is under grave threat with potential protectionist changes in trade agreements – TRIPS, TPP etc - and domestic legislation which will lead back to a situation of monopoly and high pricing. This threat will be felt nowhere more keenly than in Africa where currently only two per cent of drugs consumed on the continent are manufactured there.

Cipla's involvement in Africa goes back to the early 1990's when the Company commenced its exports business – first registrations were in Kenya then a little later, South Africa. African countries had similar needs and issues as India and hence it was logical for Cipla to focus on Africa to export its affordable and high quality medicines.

## *Cipla's role in the treatment of HIV/AIDS in Africa*

Two decades ago, when millions in Africa lay

dying from HIV/AIDS, no one imagined that an answer would come from India. This was an era of 8,000 deaths a day in Africa alone. Anti-retroviral (ARV) medication was available at prices adding up to more than \$12,000 per patient per year. With the major drug producers adamant they would not reduce their ARV pricing, the poor stood no chance of survival. At that time, Cipla's Chairman, Dr. Yusuf K. Hamied, together with a small group of people committed to confront the HIV/AIDS epidemic, formed an alliance to find a solution. As well as Dr Hamied, the group included William Haddad, a pioneering advocate for generic drugs in the US, Denis Broun of UNAIDS, David Langdon, a former Peace Corps volunteer, Robert Weissman of Essential Action, James Love an intellectual property rights activist. The group had one thing in common; they were appalled that human beings should be left to die in order to preserve the profits of companies.

In September 2000, Dr. Hamied was given the opportunity to address the European Commission in Brussels. He said, "Friends, I represent the Third World. I represent the needs and aspirations of the Third World. I represent the capabilities of the Third World. And above all, I represent an opportunity. We all have a responsibility to alleviate the sufferings of our fellow men who are afflicted with HIV and AIDS. We strongly believe that in the Third World there should be no monopolies for vital, life-saving and essential drugs. We are the only manufacturer today of one of the triple-drug combinations proven to be effective. We are ready to offer this combination internationally for \$800 per patient per year. We are willing to

provide technology, free, to any country which wants to make its own ARVs. We call upon the participants of this conference to do what their conscience dictates.”

Cipla’s offer did not find traction – not one country took up the offer at the Brussels Conference nor thereafter. In response, Cipla decided to improve upon the price of \$800 per patient per year that we had offered in Brussels, and offer the triple-drug cocktail on a no-profit, no-loss basis. Dr. Hamied said, “I’ll sell nevirapine at 65 cents a day, lamivudine (3TC) at 35 cents a day and I’ll give stavudine (d4T) for free because it’s so cheap to make. So that’ll be a dollar. A dollar a day.”

That offer completely changed things. On 6th February 2001, Cipla offered the triple ARV cocktail to Médecins Sans Frontières (MSF) for \$350 per patient per year – it was actually a little less than a dollar a day. And the next day, it made the headlines in the USA – the New York Times and the International Herald Tribune. The barrier to making HIV drugs available at affordable prices was broken.

In the last two decades, the number of people living with HIV who have access to affordable anti-retrovirals has risen in numbers from the thousands to currently nearly 10 million. And today, HIV+ patients can do more than raise their life expectancy; they can fulfill their life’s expectations. Cipla was the first manufacturer to secure WHO pre-qualifications for antiretrovirals, other Indian generics followed this lead and today about 90% of the generic HIV/AIDS drugs used around the world and in Africa come from India. Cipla is proud to have played a vital role in the war against HIV/AIDS, the greatest public challenge in history. This work has paved the way for the drop in generic prices in many other therapies across the world. It has taken Cipla further in its mission to enable universal access to medicine.

Dr. Peter Mugenyi, who played a very important role in the fight against AIDS in his own country, Uganda, is on the Board of Direc-

tors of Cipla Limited. He also played a major consultative role in the formulation of the US President’s Emergency Plan for AIDS relief (PEPFAR) programme, announced by President George Bush in 2003.

### ***Making African countries self-sufficient by providing advanced technologies***

Cipla continues to champion the cause of countries that wanted to achieve complete self-sufficiency in pharmaceuticals production and shape their own destiny. For example, in Uganda, a country that has done remarkable work in its public healthcare system, Cipla has helped to set up Cipla Quality Chemical Industries Limited (QCIL). This state-of-the-art factory is one of the only WHO-approved facilities in Uganda, and it manufactures ARVs, anti-malarials and other anti-infectives. The facility is one of only four WHO certified plants in Sub-Saharan Africa.

### ***Cipla’s spread in Africa***

The African continent has some of the fastest-growing economies in the world, therefore putting many more of its citizens in reach of better quality healthcare.

Cipla reinforced its commitment to the African continent when it invested in Cipla Medpro in 2013. This investment allows Cipla Medpro to reach more patients both through the private market as well as Government Tender. The Company operates a manufacturing plant in Durban employing more than 300 people. In Uganda, Cipla is the majority shareholder in CiplaQCIL – a factory which provides therapies for HIV and Malaria and recently announced it will start producing drugs for Hepatitis B and a one-a-day ARV which will greatly improve patient adherence.

In North Africa, a recently formed a joint-venture with Cooper Maroc and Pharmaceutical Institute aims to set up local manufacturing for respiratory products. With this strategic presence in Southern, Eastern and Northern

Africa, we aim to leverage this infrastructure to continue to improve patient access to quality, affordable healthcare.

### *Way forward*

In a recent interview, South Africa's health minister Aaron Motsoaledi said, "We regard India as the pharmacy of the developing world, and we are modeling the development of our pharmaceutical industry on India's. We want to learn from them." Speaking about Indian generic companies, which made it possible for Africans to access affordable HIV/AIDS drugs in the past decade, Motsoaledi said, "They

were our heroes, and if they change their laws now, we will be in big trouble in sub-Saharan Africa, really big trouble."

The industry in India is keenly awaiting the Indian Government's stance on various issues pertaining to the pharmaceutical industry and healthcare. In this area governments worldwide preach, protect and push for their own national needs and interests. It is therefore of the utmost importance that our government should support the indigenous industry that looks after the healthcare not just of our nation but of many of the least developed and developing nations worldwide.