



PHARMACEUTICALS EXPORT PROMOTION COUNCIL
(Set up by Ministry of Commerce, Govt. of India)

COPY

Date : 23-07-2010

News / Story reproduced with thanks:- **Pharmabiz**

DoP fails to break stalemate on the issue of imposing anti-dumping duty on Pen G

Friday, July 23, 2010 08:00 IST

Ramesh Shankar, Mumbai

Direct link to the News/Story:-

<http://www.pharmabiz.com/article/detnews.asp?articleid=56535§ionid=>

The Department of Pharmaceuticals' (DoP) efforts to break the stalemate over the controversial issue of imposing of anti-dumping duty on imports of two pharma raw materials, penicillin G (Pen G) and 6 APA, did not bear fruit as the different stakeholders could not reach a consensus on the issue.

Sources said that since both the opposing stakeholders, the bulk drug manufacturers and the indigenous manufacturers of these products Alembic and SPIC, stuck to their own stand, no decision could be taken on the vexed issue. As it could not reach a consensus between the fighting stakeholders, the DoP will make its own opinion on the issue and will send its recommendation to the union commerce ministry which will make a final call on the issue.

The DoP had convened a meeting on July 21 in this regard. The department had invited major industry associations like BDMA, IDMA, FOPE, and the two affected pharma companies of SPIC and Alembic to discuss the issue threadbare.

The imposition of anti-dumping duty on Pen G and 6 APA has been a contentious issue between the union commerce ministry and the bulk drug manufacturers in the country and the issue has been hanging fire for quite some time. The commerce ministry, acting on a petition by Gujarat-based Alembic and Chennai-based SPIC, had recommended imposition of anti-dumping duty on Pen G and 6 APA, but the industry has been opposing it tooth and nail. Besides industry, union finance ministry has also disagreed with the commerce ministry's proposal.

The bulk drug industry apprehends that the proposed move could create a monopoly like situation in the country since there are only two companies (Alembic and SPIC) making the products in India and would ultimately result in shortage of life saving drugs (antibiotics) in the country. These companies together produce only around 200 MT of 6 APA as against the total demand of around 5000 MT per annum. Also, the production of Penicillin-G by the petitioner companies is only 3500 MMU as against the country's total demand of about 17000 MMU per annum.

The bulk drug industry has also informed the DoP that if anti dumping duty is imposed on Pen G, it will have a cascading effect and will result in high rise in prices of life-saving medicines as Pen-G is used as raw material for manufacture of many life saving drugs.

The estimated market for the antibiotics made from Pen G & 6 APA is is estimated to be around Rs 3,000 crore.