

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:1585

ANSWERED ON:18.11.2010

UNAFFORDABLE CANCER MEDICINES

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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether the medicines for the treatment of cancer are costly and unaffordable to common man;
- (b) if so, whether medicine pricing control orders are not applicable on these medicines;
- (c) if so, the reasons thereof;
- (d) the status of proposed rebate of all type of taxes on the medicines to the common man at reasonable prices;
- (e) the steps being taken by the Government to provide these medicines to the common man at reasonable prices;
- (f) whether the Government proposes to give exemption from all taxes to the medicines used for treatment of cancer; and
- (g) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) to (c): Drugs for treatment of Cancer patients are not covered in the list of controlled drugs under Drugs (Price Control) order, 1995 (DPCO, 1995). The prices of anti-cancer drugs are, therefore, fixed by the manufacturers themselves taking into account various factors such as the cost of bulk drugs used in formulations, cost of excipients, cost of R&D etc. As per available information, it has been observed that prices of medicines for treatment of cancer are high particularly in the context of long duration of treatment of cancer patients. Presently there are 74 bulk drugs included in the First Schedule of DPCO, 95, on the basis of the criteria given in the Modifications in Drug Policy, 1986. The prices of these 74 bulk drugs, and the formulations containing any of these Scheduled drugs are controlled by the Government/NPPA as per the provisions of DPCO, 1995.

(d) to (g): Specified life saving drugs including Anti-Cancer, Anti-AIDS drugs and bulk drugs of their manufacturer have been exempted from Custom/Excise Duty. Further, certain states have also exempted life saving drugs from VAT. In the recent past, the Government has reduced the rate of excise duty twice on other Drugs & Pharmaceuticals from 16% to 8% vide notification no. 4/2008 - CE dated 01.03.2008 and subsequently from 8% to 4% vide notification no. 58/2008 - CE dated 07.12.2008. The reduction in the excise duty has resulted in reduction in the prices of scheduled drugs and formulations, the prices of which are fixed by the National Pharmaceutical Pricing Authority (NPPA) under the provisions of the Drugs (Prices Control) Order, 1995 (DPCO, 1995). Whenever rates of excise duty, custom duty etc. are revised, NPPA issues a notification quantifying the impact on the prices of scheduled drugs and formulations fixed by it. In case of medicines which are out of price control, i.e. non scheduled drugs/formulations, NPPA also issues advisories to drug companies to pass on the benefits to the consumers whenever there is reduction in excise duty etc.