

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

UNSTARRED QUESTION NO:5693

ANSWERED ON:10.05.2012

SALES PROMOTION BY DRUG COMPANIES

Bajirao Shri Patil Padamsinha ;Gaikwad Shri Eknath Mahadeo;Mandlik Shri Sadashivrao Dadoba;Paranjpe Shri Anand Prakash

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

- (a) whether the Indian drug companies have spent over 25 per cent of their turn over on sales promotion as compared to just 7 per cent on Research and Development during 2008 and 2009;
- (b) if so, whether this has led to unethical promotion of drugs by drug companies;
- (c) whether the steering committee of Planning Commission has recommended that there is a need for a mandatory code for identifying and penalizing unethical promotion by these drug companies on a model act of USA;
- (d) if so, the reaction of the Government thereto;
- (e) whether the Government proposes to consider this suggestion for the Twelfth Plan; and
- (f) if so, the details thereof?

**Answer**

MINISTER OF STATE INDEPENDENT CHARGED OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION  
AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a): As per CMIE, the following expenditure has been made in Research & Development during 2008 and 2009:

Year	Growth in R&D - expenditure -Rs. Cr.		R&D Expenditure as % of Sales	
	Domestic Companies	Foreign Companies	Domestic Companies	Foreign Companies
Mar 2008	2772.63	700.18	4.78	2.86
Mar 2009	3316.14	846.05	4.89	3.84

The expenditure on sales promotion made by individual companies are not monitored by the Department.

(b): There were some reports in the newspapers in the recent past regarding promotional expenses being made by the Pharma Companies. The reports suggested that some unethical marketing practices are being followed by certain pharma companies. Keeping in view the seriousness of the allegations made in the media reports, this Department felt the need to take up the matter in the interest of the consumers/patients as such promotional expenses being extended to doctors had direct implications on the pricing of drugs and its affordability. After discussing the issues with the Pharma Associations/ Industry, this Department has prepared a draft 'Uniform Code of Pharmaceutical Marketing Practices' (UCPMP) which is to be adopted voluntarily in the first instance. The UCPMP was put up on the Department's website [www.pharmaceuticals.gov.in](http://www.pharmaceuticals.gov.in) for inviting the comments from all the stakeholders. The comments received were examined and draft UCPMP has been prepared and circulated to the pharma association for their comments.

(c) & (d): The Steering Committee on Health for the Twelfth Five Year Plan constituted by the Planning Commission has dealt the issue of unethical promotion of drugs by drug companies in its chapter No. 8 titled 'Regulation of Food, Drugs, Medical Practise and Public Health' (available in the website of the Planning Commission). The related section (i.e. para. No. 8.2,12) is reproduced below; '8.2.12 Pharmaceutical marketing and aggressive promotion also contributes to irrational use. There is a need for a mandatory code for identifying and penalizing unethical promotion on the part of Pharma companies. The Food and Drugs Administration (FDA) of the US has mandated strict regulations to curb unethical promotions. These include mandated disclosure by Pharmaceutical companies of the expenditure incurred on drug promotion, ghost writing in promotion of pharma products to attract disqualification of the author and penalty on the company, and vetting by FDA of drug related material in Continuing Medical Education. To avoid medical conflicts of interest, the US Government is proposing to bring in a law that would require drug companies to disclose the payments they make to doctors for research, consulting, speaking, travel and entertainment. Such practices can be replicated in India'.

(e) & (f): Planning Commission has informed that above is an observation of Steering Committee and it should not be construed as a part of 12th Plan which is still under preparation.

