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## Bangladesh industry "thriving" on ED

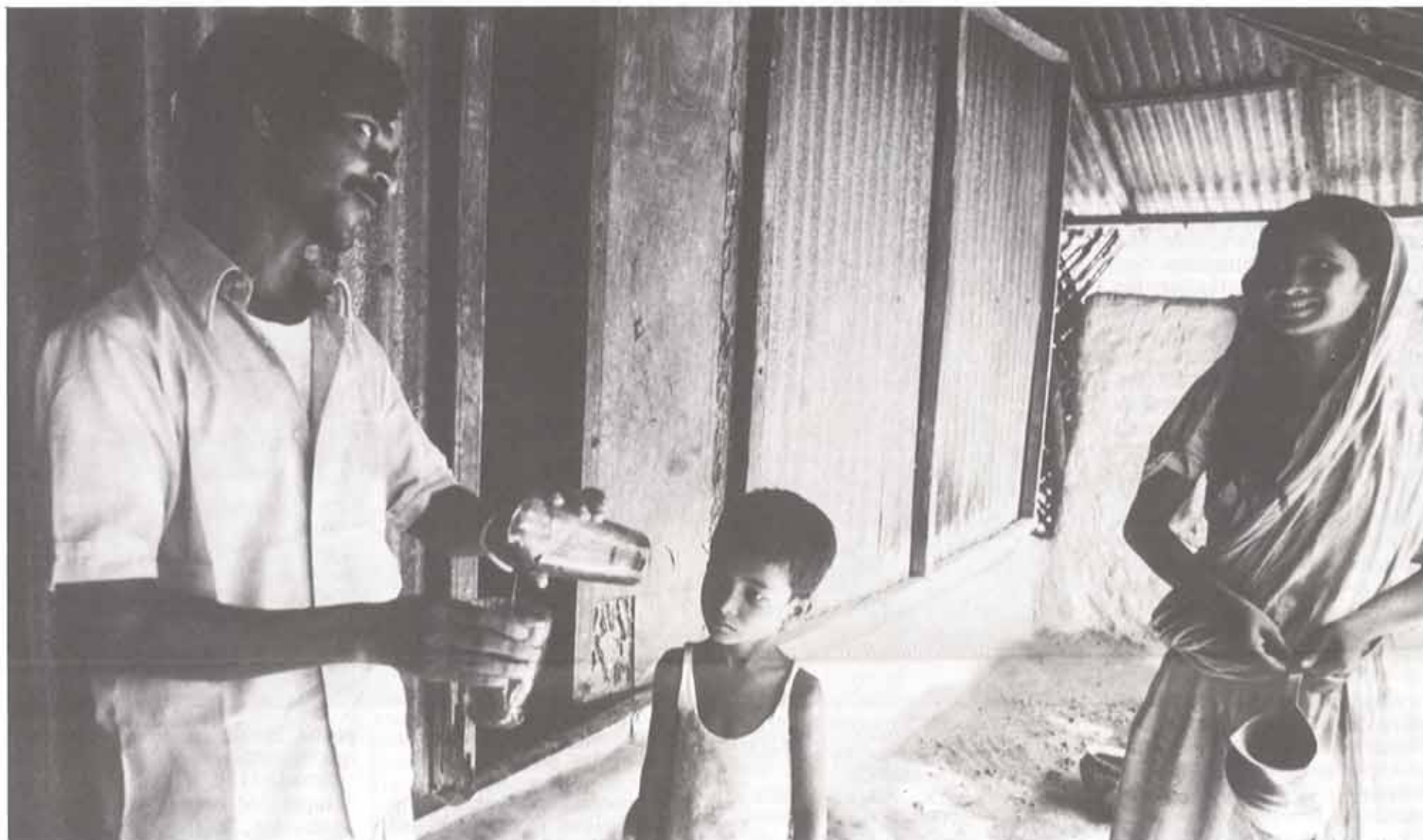


Photo WHO/P. Harrison

Bangladesh has achieved another "first" in essential drugs. In 1982, the government introduced its unique New Drug Policy and Drug Control Ordinance. These were criticised by many of the drug companies in Bangladesh which felt that their interests were threatened. Now, in a change of stand, the Bangladesh drug industry has also taken a step without precedent elsewhere in the world. In November 1986, the Bangladesh Association of Pharmaceutical Industries published a special supplement in the *New Nation* national newspaper, detailing the benefits both the industry and the public have reaped from government policy on essential drugs. The BAPI also urged MPs, in an open letter, to ratify the Drug Control Ordinance at the forthcoming parliamentary session — which they did, unanimously. The main article from the *New Nation* supplement is reproduced here.

### Pharmaceutical Industries' view of Drug Control Ordinance 1982

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Bangladesh Association of Pharmaceutical Industries

There is perhaps no denial of the fact that the Drug Control Ordinance 1982 came as a big jolt for the entire industry. Changing an entire industrial sector from their existing direction to a new direction overnight demanded a great deal of the industry's capability and flexibility to adjust to such changes. The initial despair and frustration was the result of this adjustment-crisis.

What the ordinance proposed, and obviously accomplished to a large extent today, would have perhaps evolved naturally, in course of a long time, as a result of the growing public and industry conscience in favour of such change in direction.

What was a probability in future was made by the ordinance into a reality

overnight. Perhaps every such revolutionary change has a cost, which initially makes its potential benefits less obvious. Needless to mention that the pharmaceutical industry of the country paid that cost in terms of substantial loss of turnover, lower growth or even negative growth in some instances in the years following the ordinance, wastage of resources, and finally in redundancies of manpower. Nevertheless, despite this initial experience, today, four years after the ordinance came into effect, many of its beneficial aspects have become vivid, some of which are worth the initial negative consequences.

The single most important benefit of the Drug Control Ordinance was its

emphasis on the concept of essential drugs. The concept emanated from the realisation that although every "drug" is essential for people who may require it, some drugs are required more often and by many. Survey of the disease prevalence in our country would show that about 150 drugs can cover almost all major ailments affecting the general mass. Pharmaceutical industry's approach to the market did not overlook this fact totally, since it is obvious that the industry being basically business enterprises can not ignore products which have mass demands. However,

*Above: Making up a rehydration solution. "In our country about 150 drugs can cover almost all major ailments..."*



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Anti-tetanus shot. "Today the industry commits 64% of capacity to essential drugs. This not only helps people, but the industry is on a much stronger foundation than before."

Photo WHO/P. Harrison

government emphasis on the essential drugs as enumerated in the Drug Control Ordinance 1982 was a powerful motivating force for the industry to treat the essential drugs in higher order of priority than before.

The result is well evident: today the industry commits 64% of its total production capacity to the essential drugs, compared to 30% in 1981. This does not only help people, as larger output of these much needed products results into the deeper pen-

etration of the same into the rural market, but also the industry. It is easy to appreciate that the industry is based on much stronger foundation than before as they thrive on products needed by the mass and such need is only likely to grow and not diminish for any reason whatsoever, be it commercial or regulatory.

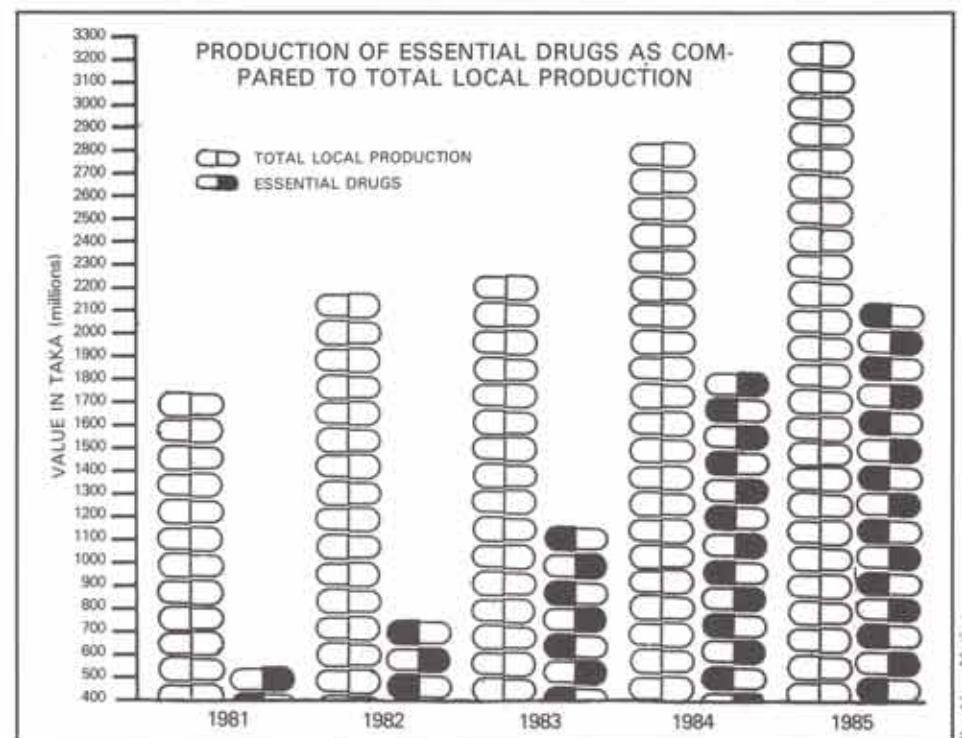
One of the fundamental objectives of the ordinance was to encourage local production of import-substitute. Clearly, before the promulgation of the ordinance there were fixed ideas in the minds of all concerned that there were many products which were beyond the abilities of the local industry to formulate. That this was a myth became obvious by successful formulation of many of the import-substitutes by local industries during the four years period following the ordinance.

Before the ordinance, it required years of efforts by local industries to secure protection for their locally formulated import substitute. Import substitutes received no priority treatments in registration.

Today, import substitutes are prioritised over other products in registration; they receive preferential considerations in price fixation. Sometimes, the licencing authority even takes the initiative to recommend to the manufacturers to take up production of certain high volume import-substitutes. Industry does not have to move for tariff protection any more. They are consulted before formulation of the import policy and their recommendations on import restriction of products are viewed more seriously than before.

Farmers at work. "The Ordinance greatly boosted the realisation of the mass that health care needs are as vital as food, clothing and housing."

Photo WHO/P. Harrison



The New Nation

All these were possible because of the serious rebiasing of the attitude of all concerned which includes, of course, the regulatory authorities.

The result is obvious from the reduction in the quantum of imported products since 1981. By value the imported products' share of the total drug consumption came down from 15% in 1981 to 10% in 1985. If we take into account the depreciation of Taka against the various currencies, it will appear that the imported product share of the total pharmaceutical market by unit is perhaps as low as 5-7% today.

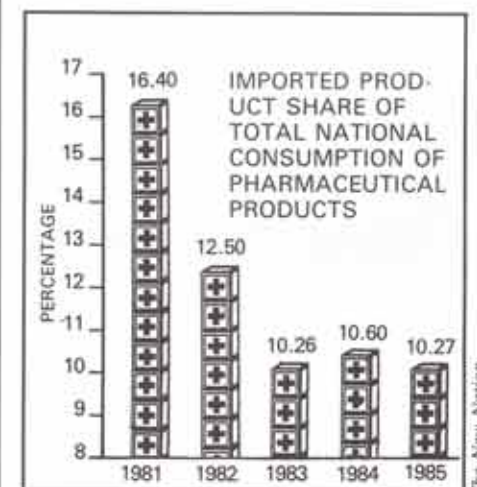
Before the ordinance, Drug was a subject that did not concern the general population. The widespread impact of the ordinance on the general people stimulated their overall interest on this subject which they realised was vitally connected to their overall welfare. The ordinance greatly boosted the realisation of the mass that their health care needs are as vital as other needs of their life, such as food, clothing and housing. This increased their health-consciousness and resulted into expansion of the pharmaceutical market, as more people sought medical attention than ever before. This is a welcome sign for the industry as well as for the country in general.

It would be wise to sound a note of caution that while achieving greater production of essential drugs at lower prices is the main objective, at no cost standard of quality be compromised. A certain section who would deliberately like to foil this objective are diverting attention from this vital aspect of drug manufacture. Emphasis must be given by the Government and the Regulatory Authorities on maintaining the highest quality of products regardless of the size or capability of the manufacturer. Also at

the time of import of raw materials due consideration to origin and quality must be made. Lastly, but most important, testing facilities must be further strengthened so that this extremely important function can be and is properly discharged on a nation-wide basis.

As history will testify, many revolutionary efforts were foiled, due to the euphoria of its immediate gains in which its main objectives got lost. While all of us feel quite satisfied of the achievements, we must be careful of not losing sight of the main objectives of the ordinance, which were to make available quality products, in enough quantities, at reasonable prices. While working with these objectives it has to be ensured that the quality of pharmaceutical product is the most important fundamental requirement and the same can not be compromised for quantity or for price.

The nation's efforts to achieve health for all by the year 2000 will have a better chance of success if all concerned keep the main essence of the ordinance in mind while taking their individual actions. □



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