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Some Consequences of Liberalising Drug Imports

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Dr. Goonaratne, MRCP, PhD., a senior lecturer at the Faculty of Medicine, Colombo, in this note views the 'liberalisation' as a reversal.

Third World countries have neither well-organised and effective regulatory agencies like the Food and Drugs Administration (FDA) of the United States, nor systematic machinery for quality control of drugs. In addition, in these countries, the cost of promotion is very much less than in the West, and the price of buying official acquiescence or professional silence could be as low as the price of a return air-ticket to Singapore or Bangkok.

Fortunately, Sri Lanka has been spared the worst of the disasters of unrestrained drug promotion (like the terrible tragedies of thalidomide and chloramphenicol) because of an enlightened and rational pharmaceuticals policy which this country has pursued from as far back as 1959, largely due to the dedication and resolve of one person, the late Professor Senaka Bibile.

The earliest steps taken in this direction came with the appointment of the Formulary Committee and the publishing of the Ceylon Hospitals Formulary in 1959. The Committee limited prescribing in the state institutions to 500 drugs, identified by generic name only, which were listed in the Formulary. The Formulary also gave reliable and objective information about these drugs, accepted indications for their use, and their known adverse effects. From time to time the Committee adds new drugs of proven value and removes obsolete ones on the basis of representations made by doctors and the pharmaceutical firms. This step eliminated the confusion and waste which existed in the public sector due to the power and promotional activities of the transnational drug corporations (TNCs) and spared us the horrors of thalidomide.

In 1962, the Formulary Committee (now renamed the National Formulary Committee NFC) reduced the number of drugs approved for the private sector from over 4,000 to about 2,000. This has saved Sri Lanka from the fate suffered by countries like Nepal, Bangladesh, Thailand and some African countries which have become the dumping ground for some toxic drugs and weird drug combinations promoted aggressively by TNCs.

In 1971, acting on the recommendations of the Wickremasinghe-Bibile report,[1] the government made further changes in the pharmaceuticals policy. The main objectives include (a) the creation of a State buying agency for the whole country, the State Pharmaceuticals Corporation (SPC), (b) reducing further the number of drugs on the market by eliminating irrational drug combinations, imitative drugs, drugs without proven value and toxic drugs, (c) the use of generic names and (d) expanding the provision of objective and adequate drug information.

These objectives were achieved satisfactorily in spite of strenuous attempts at sabotage by the pharmaceutical industry, which is one of the most powerful lobbies in the world, and some hostility from members of the profession whose judgement had been influenced by promotional activities of the TNCs. The success of these far-reaching changes was attended by much fewer errors of omission or commission than any other undertaking of this magnitude in either the public or private sector, and the pioneering achievements of the SPC and the NFC have been acclaimed by the WHO, UNCTAD and practically everyone who has examined them[2,3,4] except of course, the TNCs and their agents.

Three points need to be here emphasized. The first is that the WHO came around to recommending "approved lists" of drugs only in 1977, and theirs contain a little over 200 drugs which are designated as being "essential".[5] This should be remembered by people who tend to criticize the import of over 1,200 drug formulations by the SPC as being inadequate for our needs. Such critics should also recall that vast numbers of expensive irrational and often highly toxic branded drugs are imported to other countries without restrictions on drug imports e.g. India about 15,000, Brazil 14,000, Thailand 25,000, and Italy 21,000.[6] With much less consumption of pharmaceuticals Sri Lanka's health status is clearly superior to that of the examples quoted above by whatever criteria health may be judged. The table below further clarifies this point, and illustrates that vast expenditure on pharmaceuticals is not rewarded by a commensurate enhancement of the health of a nation. Instead such spending diverts resources away from high priority areas like preventive medicine, family health, maternal and child health, health education, rehabilitation etc.

The expenditure on drugs expressed as a percentage of public sector expenditure for health varies from 51 percent to a tragic 365 percent in countries of S.E. Asia other than Sri Lanka. In our country it is only 15 percent, but our health status is superior to that of all the countries listed. What better evidence could be produced to show the

TABLE 1
DRUG EXPENDITURES IN 1976 IN S.E. ASIA
(in Million US $)

	Public Sector Health	Drug Public Sector Expenditure	Expenditure Private Sector	Total (B)	(B) as Percent of (A)
Bangladesh	18.5	11.8	55.6	67.4	365
Burma	31.5	7.8	8.3	16.1	51
India	626.9	117.6	470.4	588.0	93
Indonesia	360.3	22.0	230.0	252.0	70
Nepal	7.9	3.5	3.5	7.0	88
Sri Lanka ..	54.9	3.6	4.8	8.4	15
Thailand	161.2	49.0	73.6	122.6	76