

Vietnam blacklists 39 Indian drug firms

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Singapore: Giant drug makers like Aurobindo Pharma, Cadila and Mcloods Pharmaceuticals are among 39 Indian firms that have been blacklisted by Vietnam for quality standard violations. The country's regulators have also banned companies from Bangladesh and South Korea on its website, but has not specified the reason for the ban.

The list of companies in the Drug Regulatory Authority of Vietnam's black list for regulatory non-compliance in 2014 included companies such as Strides Arcolab Ltd, Medley Pharmaceuticals Ltd, Marck Biosciences Ltd, Marksans Pharma Ltd and Umedica Laboratories Pvt. Ltd.

Antibiotics made by Aurobindo and Mcleod, and Cadila's anti-rabies vaccine Lyssavac have been banned. Lyssavac, Cadila's anti-rabies vaccine was also banned by World Health Organisation in January this year. A representative of a banned company casted doubt on the samples collected and said that problem is with the retail stores who do not follow proper storage methods.

Industry analysts estimate that the ban will affect the performance of the Indian pharma sector to a large extent. A similar ban imposed by Vietnam imposed on 45 Indian companies in 2014 caused a significant dip in Indian pharmaceutical products to Vietnamese market. According to livemint, who relied on official commerce ministry data, exports fell 12% to \$146 million in 2015-16 from \$165 million in the previous fiscal year.

"Certain storage conditions need to be maintained for some products. Our control samples are absolutely fine. The products were banned on the basis of one sample. We will approach the Vietnamese regulator soon," a senior executive of a blacklisted company was quoted saying to Economic Times.

An investor relation spokesperson for Aurobindo Pharma was said "Our sales to Vietnam is just around \$1 million in a year and hence does not matter much. Regulatory authorities have introduced additional steps for testing before the release of the batch."

Since the first ban, there have been some official attempts to investigate and verify the claims that led the companies to get black listed. In 2015, the CDSCO and Pharmaceutical Export Promotion Council of India (Pharmexcil) had held a strategic meeting with their Vietnamese counterparts to address the issue. Earlier, last month as well, it was announced that the ministry of commerce and industries is planning to set up a committee, along with the Central Drugs Standard Control Organization (CDSCO).

It is suggested that if the claims of the Drug Regulatory Authority of Vietnam is validated and verified, then the commerce ministry may resort to cancelling or suspending the Import Export (IE) code of the companies.