

# ***SouthViews***

No. 73, 26 June 2013

**SOUTHVIEWS is a service of the South Centre to provide opinions and analysis of topical issues from a South perspective.**

Visit the South Centre's website: [www.southcentre.org](http://www.southcentre.org).

## **The man who saved millions with cheap medicines**

**By Martin Khor**

**His rivals called him a “pirate” but grateful millions whose lives were saved by his cheap generic medicines consider him a Robin Hood---Yusuf Hamied, leader of India’s giant company, Cipla.**

I spent a day with a giant of a man who arguably has done more than anyone else to save millions of lives of people with AIDS and other diseases in the developing world.

The meeting took place in Mumbai at the headquarters of Cipla, one of India’s biggest generic drug companies.

Dr. Yusuf Hamied, the co-owner, managing director and leading personality of Cipla, is most unusual. Ideas and words flow from him like a mighty river, as he moves from one topic to another, his eyes twinkling.

This seems to come from the combination of a brilliant scientific mind (he has a PhD in Chemistry from Cambridge), a passion to overcome injustice and do good for the poor of the world, skills to turn ideas into practical results and the business imperative to make money at the same time.

Hamied is world famous as the major driving force in making high-quality HIV-AIDs antiretroviral medicines cheap enough that the poor in developing countries, especially in Africa, can access them.

In the process, he and a network of health activists and international organisations had to confront an entrenched system where a few drug multinationals, backed by patents, monopolised the AIDS medicines market.

Treatment used to cost US\$12,000-15,000 per patient per year. Hamied combined three antiretrovirals into a single pill called triomune, making it easier and more effective for patients to take, and offered it at the rate of US\$350 a patient a year.

That was in 2001 and his announcement caused acute anxiety for the drug multinationals who called him a “pirate” for offering a generic version of a combination of three patented medicines.

But he also evoked great excitement and hope among AIDs patients and their support groups around the world. To them he is a Robin Hood.

Back in 2001, only 4,000 Africans could afford the high-priced branded products. Last year, more than 8 million persons were using generic AIDS medicines, whose cost had gone down to around US\$ 85 per patient per year, according to UN agencies.

Evidence shows many lives have been saved or prolonged due to the medicines, 80% of which come from Indian companies. But since there are almost 40 million worldwide suffering from AIDS, much more needs

to be done.

Malaysians have also benefitted. I reminded Hamied that in 2003, Malaysia was the first country to issue a compulsory license, and it was for importing three AIDS drugs produced by Cipla. That slashed the price of the medicines the Health Ministry was buying, enabling more patients to be treated.

Hamied is now turning his attention to cancer. Last year CIPLA slashed prices of three generic anti-cancer drugs by up to 75%. "The time has come to do a similar thing -- to provide affordable medicines for cancer, as we did for AIDS medicines," he says.

In the case of one cancer drug, sorafenib, the original patented product by Bayer had cost 5,091 dollars (280,000 rupees) for a month's treatment, way beyond the means of Indian patients. Another Indian company Natco obtained a compulsory license and sold its generic version for 160 dollars (8,800 rupees), while Cipla last year cut its own version's price to 124 dollars (6,840 rupees).

Hamied is also on top of the latest scientific situation on other diseases, and seeking solutions.

When I asked him about the anticipated bird flu epidemic of a few years ago, about the spread of drug-resistant malaria, and the threat of multiple drug resistant tuberculosis, Hamied responded each time with his attempts, past and present, to make generic drugs available.

He gave me a scientific paper on a particular drug which he thinks is the best chance of tackling the deadly resistant forms of TB, indicating he is exploring how to produce it.

CIPLA now makes over 2,000 products, in 65 therapeutic categories, hires 20,000 people, has 34 manufacturing facilities, sells in 170 countries, and makes a healthy profit with annual sales exceeding US\$ 1.4 billion.

It has made its mark as a champion of generics, fired with the nationalist and self-reliance spirit sparked by Mahatma Gandhi, who visited this same Cipla office in 1939. He requested the then owner, K.A. Hamied (Yusuf's father), to initiate the local manufacture of medicines due to shortages caused by the onset of the war in Europe.

Hameid sees several looming problems that may cloud the future of the Indian industry. First is the 2005 introduction of product patents in India, in line with the WTO's rules. Local companies now require a compulsory license (CL) from the government to produce generic versions of new medicines that are patented.

"It is a very cumbersome process to apply and get a CL for each patented medicine," he says. "What is needed is a system of automatic compulsory license, with payment of 4% royalty to the patent owner."

Canada and India had such a system in the past, and this should be revived, as India and other developing countries cannot afford to have monopolies and high prices in medicines.

Second are the free trade agreements which several developing countries including India are negotiating with Europe or the United States. Hamied points out that these FTAs contain clauses which would seriously hinder or stop the production and use of new generic medicines in those countries that sign the FTAs.

Third is the need to produce active pharmaceutical ingredients (APIs), which are the essential materials in the medicines. While many countries are able to make the finished products in the forms and dosages required, only a few developing countries (India and China principally) have the ability to make the APIs.

Hamied warns that India is already making less of the APIs that its industry needs, and an over-reliance on imports is developing. "If China and India don't supply APIs to the world, the world pharmaceutical industry may face collapse."

According to Hamied, India also needs a better drug pricing policy and a more efficient drug regulatory system as there are many new generic medicines in the queue for safety clearance but lately there has been a long delay in decisions.

Hamied announced he will step down as Cipla's joint managing director in April. His brother (M.K. Hamied) and his nephew, backed by a team of professionals hired from other companies, will take over the helm.

That has caused speculation about the future direction of Cipla. But after spending a day with Yusuf

Hamied, one gets the distinct feeling that at least in his lifetime Cipla will remain true to the cause of making medicines affordable to the sick in India and other developing countries.

**Author: Martin Khor is the Executive Director of the South Centre. Contact: [director@southcentre.org](mailto:director@southcentre.org).**

**This article was published in the South Bulletin ( 5 July 2013).**

**To view other articles in SouthViews, please [click here](#).**

**For more information, please contact Vicente Paolo Yu of the South Centre: Email [yu@southcentre.org](mailto:yu@southcentre.org), or telephone +41 22 791 80 50.**