

Not Quite the Right Prescription?

A ban on the export of herbal drugs made from 'endangered' plants could see the industry lose crores of rupees

LIFE doesn't seem to be easy for ayurvedic drug manufacturers these days. Last year, the government threw a spanner in their works by listing about 50 diseases for which they — or anyone — could not advertise a cure. Late last year, the Supreme Court had ruled that a practitioner of another system of medicine cannot prescribe ayurvedic drugs (and vice versa). And now comes another blow: manufacturers can't export drugs made from several 'endangered' plants obtained from the wild.

For some time now, the country had not been allowing the export of plants which were considered 'endangered'. In March last year, the Director-General of Foreign Trade (DGFT), acting on the environment ministry's advice, issued a notice saying that even formulations made from these plants could not be exported.

The prohibited plants are so commonly used that the order meant producers would have to stop exporting many herbal products. When they protested, the DGFT thrice extended the deadline for this by three months, and exempted export orders that were bagged before 31 March 1996. The deadline expired finally on 31 December 1996. From 1 January this year, manufacturers have stopped exporting many herbal products.

For many of them, this has meant immediately losing business worth crores of rupees. But according to them, the order has more serious long-term implications. The worldwide herbal drugs market is rapidly growing. The early birds in the global market have a very good chance of cornering a sizeable chunk of it. Needless to say, those who do not enter the market now stand the danger of losing the race. Complains N.S.

Bhatt, managing director of the Mumbai-based Ajanta Pharma: "Indian exporters have developed markets with a lot of effort. All this will be wasted."

It's difficult to get exact figures for the highly unorganised industry. Official statistics are handled by different agencies because herbal medicine can be classified as medicine, as a spice (to be documented by the Spices Board) or as food (the Agricultural & Processed Food Ex-



Indian herbal products will go off foreign shopshelves

port Development Authority — Apeda). Chemexcil, the agency which handles the problems of drug exporters, estimates that exports of some important herbal drugs were worth Rs 242 crore last year. This excludes many products made by small manufacturers.

Observers are puzzled by several aspects of the order. On the prohibited list are 56 plants. Some of these are so common that it's difficult to use the term 'endangered' for these. For example, a plant called *kuthi* is one of the ingredients of *chyavanprash*, one of the biggest herbal exports. *Kuthi* is a very common plant and easily available. Nevertheless, it finds a place in the prohibited list.

Moreover, *chyavanprash* is sold in the country in large quantities. Industry sources estimate domestic sales at about

Rs 200 crore and exports at under Rs 10 crore. Says Y.C. Bhatt, chairman of the Ayurvedic Drug Manufacturers Association (ADMA): "I do not understand how a plant which is so easily available and is used in large quantities for the domestic market becomes endangered if exported in small quantities."

Another well-known product which cannot be exported is *Liv 52*, made by the Bangalore-based Himalaya Drug Co. This contains the herb *berberis aristata*, which is on the negative list. Other products affected are drugs for arthritis, obesity, liver and skin disorders and asthma (these contain herbs like *commiphora mukul*, *swertia chirata* and *aloe*, all of which are on the prohibited list).

Ayurvedic drugs are usually concocted from many herbs (*chyavanprash* contains 40). Many of these are present only in very small quantities. However, if

one herb in the cocktail is changed, the drug is considered different and has to be registered separately. This also means that the drug has to undergo more clinical trials (for three years). It takes at least Rs 2-3 lakh to conduct clinical trials for a herbal drug.

A company can export these products if it cultivates herbs on its own, or obtains a certificate of cultivation. However, few companies cultivate herbs; about 98% of all herbs used in ayurvedic formulations are obtained in the wild.

It takes years to develop a herbal garden. Says Shankar Mitra, medical director at Himalaya Drug Co: "The time taken to develop a garden depends on the plant. For certain herbs, developing a garden can take up to 15 years." So manufacturers argue that the nine-month grace period the DGFT provided is grossly inadequate.

However, there's a silver lining to the cloud. Representatives of ayurvedic firms met environment ministry officials on 6 February and said that they obtained a sympathetic response. Indeed, ministry sources told *BusinessWorld* that they were looking into the matter. Herbal manufacturers may yet be able to reap the fruits of their labour.

P HARI

(With reports from T. Surendar in Mumbai)