

## Closure of public sector vaccine units and resultant advocacy campaign in India: examining facts and myths

Three public sector vaccine units which were manufacturing vaccines in India for the last 100 years were closed down<sup>1,2</sup> due to outdated technology and forbidding cost and non-compliance with Good Manufacturing Practice (GMP) in 2007. However, due to sustained advocacy campaigns<sup>3,4</sup>, the Kasouli unit was reopened<sup>5,6</sup> in 2010. The advocacy campaign was broadly based on leftist ideology claiming capitalist forces were conspiring to privatize vaccine production in India. This is not true – vaccine outsourcing from private sector is only a temporary arrangement. India is in the process of shifting vaccine production from outdated PSUs to a new state-of-the-art public sector unit called Integrated Vaccines Complex (IVC)<sup>7</sup>. The proposed IVC will be of global standards and with the latest technology, being touted as one-stop shop for all the vaccine production in India, will start its operations soon. The project has already been accorded the status of ‘a project of national importance’ by the Government of India<sup>1</sup>.

The decision to close down PSUs was made purely on technical grounds, e.g. producing outdated old mouse brain killed vaccine tissue culture JE vaccine for which there is no market demand, instead of new cell culture vaccine<sup>8</sup>. Secondly, the expert panel recommended introduction of pentavalent or five-in-one vaccine containing DPT + Hib + Hbv vaccines, to ensure affordability and vaccine security for the masses<sup>9</sup>. The Kasouli plant does not have the capacity or technology to produce the pentavalent vaccine. This new technology will be available at the proposed IVC. Once the production of pentavalent vaccine begins at IVC, the present trivalent DPT vaccine would become obsolete. Hence there is no point in spending money on upgradation and renovation of PSU plants. Advocacy groups argue that the cost of setting up IVC is nearly 3–4 times the estimated cost of upgrading existing

PSUs and claim that closure of PSUs will create acute shortage of vaccines in India. This is not true. India's total expenditure for Universal Immunization Programme is Rs 200 crore. The contribution made by the three PSUs is only Rs 90 crore, further reduced to Rs 30–40 crore taking into account government funds being spent for their running<sup>2</sup>. The three PSUs put together make just 15% in value terms in the vaccine market in the country<sup>10</sup>. With this meagre domestic market share, the closure of PSUs will hardly benefit the private sector; they anyway account for 85% vaccine production in India, and hence accusation of favouring the private sector is not valid. India's international market share is about 60% of the world's vaccine supplies. Currently, India exports Rs 1600 crore worth of vaccines to almost 150 countries<sup>2</sup>. If Indian vaccine production units do not comply to GMP standards, then Indian vaccines will be banned in international market and the country will stand to lose this important source of revenue. While advocacy groups highlight revenue generated from domestic market, they do not mention the loss to our country if it does not export vaccines. The new IVC will cater to both domestic as well as export market. This is the only way to make our PSUs economically viable.

1. 43rd Report on action taken by the Department of Health and Family Welfare on the recommendations/observations of the committee contained in its thirty-eighth report on major issues concerning the three vaccine producing PSUs, namely, The Central Research Institute (CRI), Kasauli, The Pasteur Institute of India (PII), Coonoor, and The BCG Vaccine Laboratory (BCGVL), Chennai. Presented to Rajya Sabha on 4 August 2010. Rajya Sabha Secretariat, New Delhi, August 2010.
2. Department-related Parliamentary Standing Committee on Health and Family

Welfare. Thirty-eighth report on major issues concerning the three vaccine producing PSUs, namely, The Central Research Institute (CRI), Kasauli, The Pasteur Institute of India (PII), Coonoor, and The Bcg Vaccine Laboratory (BCGVL), Chennai. Presented to the Rajya Sabha on 18 December 2009. Rajya Sabha Secretariat, New Delhi, December 2009.

3. Writ petition (C) No. 64 of 2009 in the Supreme Court of India. S. P. Shukla & Ors petitioner versus Union of India & Ors Respondent.
4. Affidavit filed by S. Srinivasan with Writ petition (C) No. 64 OF 2009 in the Supreme Court of India.
5. Sharma, A., *The Tribune*, 7 September 2010; <http://www.tribuneindia.com/2010/20100908/himachal.htm>
6. Thacker, T., *Indian Express*, 12 July 2008; <http://www.indianexpress.com/news/cri-in-kasauli-may-reopen/334474>
7. HLL signs MOU with IL&FS and NNE pharma for its Medipark and integrated vaccine complex; available at [www.lifecarehll.com/pressreleases/Press\\_Release\\_MediPark\\_IVC\\_Web.doc](http://www.lifecarehll.com/pressreleases/Press_Release_MediPark_IVC_Web.doc)
8. WHO India, Japanese Encephalitis; available at [http://www.whoindia.org/LinkFiles/IDSP\\_JE.pdf](http://www.whoindia.org/LinkFiles/IDSP_JE.pdf)
9. Shankar, R., Expert panel on pentavalent vaccine suggests public sector investments in combination vaccines, 7 June 2010; <http://vactruth.com/2010/06/07/expert-panel-on-pentavalent-vaccine-suggests-public-sector-investments-in-combination-vaccines/>; [http://www.theindian.com/newsportal/business/hll-life-care-denies-controversy-over-vaccine-complex\\_100164486.html](http://www.theindian.com/newsportal/business/hll-life-care-denies-controversy-over-vaccine-complex_100164486.html)
10. India Post News Service. India's vaccine manufacturing set to soar to \$800 m: Prof. Steven Myint; <http://www.india-post.com/indias-vaccine-manufacturing-set-to-soar-to-800m-prof-steven-myint/>

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