

20pc hike likely in medicine prices | Forex, Pakistan

Written by Shumaila Ahmed

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KARACHI: The market is rife with rumours that the Drug Regulatory Authority Policy Board's meeting on Wednesday is likely to approve a price hike of 10-20 per cent. Besides participation of 13 member policy board members, industry associations representing MNCs and local industries will also attend the meeting as observers. It must be noted that Pharma Bureau and local drug makers have been pushing for an increase in drug prices for the last many years. I cannot confirm about any approval of price increase in medicines in the April 10 meeting but definitely we have been looking forward for price jump, Chairman Pharma Bureau (PB) Tariq Wajid said. He said that MNCs and local companies had been discussing the price issue with the government since 2008. PB had urged the government to allow a certain percentage of price hike keeping in view the CPI jump and devaluation in the last five years, he explained. PB chief claimed that drug prices under hardship cases only had risen by 2-3pc in the last 12 years instead of any sharp jump. There might be some 5 to 6pc price hike in some drugs under hardship cases. Overall only 30pc out of total medicines had become costlier under hardship cases, he said. Talking to reporters at a local hotel on Tuesday, he claimed that only cough syrup price had risen by just 15-17pc in the last 10 years. Tariq said that the industry badly needs price hike to offset rising cost of production due to sharp jump in input cost triggered by more than doubled utility expenses, raw material and depreciating rupee. Keeping aside hardship cases, the government has not allowed any across the board price hike since 2001 and the price freeze has pushed the pharma industry to verge of collapse, he maintained. He said if a price adjustment was not allowed soon, patients in Pakistan will suffer due to non availability of affordable quality medicine. We are literally surviving on annual volume growth of 14-15pc and there has been no substantial increase in our profit margins, he said. The total number of PB members had shrunk to 22 from 35 in the last five years as many industries packed up from Pakistan while others entered into mergers. In the last five years, some four to five MNCs had departed from Pakistan, he said. He said that there was stiff control on prices increase in Pakistan while the Indian government offered freedom and incentives to its companies. Despite all odds, he claimed that the MNC were offering cheapest drugs in the country as compared to other countries. As a result of low drug price, smuggling from Pakistan is thriving and most of the drugs available in Afghanistan are locally made, he added. He said the cost of doing business in Pakistan was the highest in the region. If the prices of medicines are not adjusted considering a 12 year gap, the companies following international safety and efficacy standards will be forced out of business. The only other option of cutting down expenses will compromise quality and that is neither acceptable to the industry or the patient, he added. Not a single penny has been invested in the sector for last two years in spite of findings of independent international consultants that pharmaceuticals are a sunrise industry with tremendous growth potential, he commented.

Courtesy: Dawn