

New medical marvel: Firms have different prices for same drug

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LEADING pharmaceutical companies are selling the same drug in the same dosage under different brand names and at widely different prices, revealed a recent data collection drive by the National Pharmaceutical Pricing Authority (NPPA). This fragments the market and creates "artificial competition" while retaining (and entrenching) bigger market shares with a few players, undermining real competition, reckons the regulator.

The Indian pharmaceutical market is peculiar in certain ways: For instance, in the case of most therapies, half to three-fourths of the market is held by a less than a dozen players with the financial muscle to promote their brands through doctors and the trade, while the remaining segment of the market consists of hundreds of smaller players. With consumer choices being influenced by doctors' prescriptions rather than price or

NAME GAME

Drug firms selling same drug under different brand names with huge price differentials

Firm	Brand	Drug (dosage)	Therapy	Price (₹)
GSK	Crocin	Paracetamol*	Fever	19.25
	Crocin	*syrup (125 mg / 60 ml bottle)		25.15
	Crocin			13.60
Lupin	Alpraquil	Alprazolam*	Anxiety	2.49
	Anxicalm	*(0.5 mg / 10 tablets)		17.73
	Alpraquil			3.05
Abbott	Fitox	Amoxicillin+*	Infections	59.43
	Tresmox-CV	*Clavulanic acid		73.14
	Amoxyclav	(625 mg / 6 tablets)		50.23
	Moxynic			182.22
Cipla	Alerid	Cetirizine*	Allergies	29.90
	Okacet	*(10 mg / 10 tablets)		2.20
	Zircet			2.90
Zydus Cadila	Losacar	Losartan*	Hypertension	55.66
	Losatan	*Potassium (50 mg / 10 tablets)		40.88
	Biosartan			36.40

knowledge of product quality, top-selling brands invariably tend to be the most expensive ones too, which partly explains the higher market share of the leading players. This is despite the generic substance (and hence the curative effect and indications) of vari-

ous brands in a therapeutic segment being the same.

Of course, higher standards of good manufacturing practices (GMP) entail higher spends on raw material sourcing, manufacturing processes and packaging.

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Price

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Drug...

This could drive up costs a bit (although adherence to GMP standards is mandatory for all players). But what makes the top-selling brands the costlier ones too is essentially the huge promotional expenses incurred by the companies.

The same company selling the same drug under differ-

ent brand names and at different prices is even more inexplicable. Popular painkiller diclofenac (50 mg dosage) sold as Voveran by Novartis, for instance, is available at Rs 3.49 and Rs 2.64 per tablet (for a pack of 15 tablets). Novartis also sells the same drug as Voltalen, which is priced at Rs 2.58 per tablet. Zydus Cadila's diclofenac is sold under four brand names — Activa, Inac, Diclofen and Jonac — with the price per tablet ranging from 19 paise to Rs 1.29 for a 10-tablet pack.

"Cipla for instance, sells the anti-allergic cetirizine at Rs 30 under the Alerid brand and at Rs 2.20 under the Okacet brand for a pack of 10 tablets. While Alerid holds 6.7% of total cetirizine tablet sales, Okacet accounts for 3%, so actually Cipla holds 10% of the market through two brands of the same drug," explained a senior NPPA official.

Industry players and analysts, however, said that this is a "purely marketing strategy" and there is no rule that prevents a company from sell-



ing the same composition under different brand names. "Usually a company can sell the same drug under a premium price, a mid-range and a low price for different markets like metros, tier 2/3 cities and small towns/villages," said an executive from a top pharma firm, asking not to be identified.

When the NPPA was undertaking an exercise to determine ceiling prices of "essential medicines" as prescribed under the new drug price control order (DPCO) that came into effect in July 2013, pharmaceutical companies had insisted that if a company held a 1% market share or above that in the premium range, then that

price should be taken into consideration while calculating the ceiling price. However, the NPPA considered all brands of a particular drug marketed by a company as one brand, even if any one held less than 1% market share, to calculate the ceiling price. "This led to a higher reduction in the ceiling prices set for essential medicines, giving more relief to customers," said CP Singh, chairman, NPPA.

The move, which was earlier challenged by drug companies, increased the pharma industry's "losses" from the new DPCO from Rs 1,500 crore estimated earlier to over Rs 2,000 crore. Pharma players have now agreed, in principle, with the pricing authority's methodology to determine the ceiling prices. Needless to say, the largest price reductions due to the new DPCO have been done by leading players, rather than smaller ones whose prices were mostly below the ceilings prescribed.

Top-selling brands being the more expensive ones is common. For instance, GlaxoSmithKline's antibiotic Augmentin, which is priced at Rs 202 for six tablets, holds 21% of the market, while the same drug sold by Mankind under the brand Moxikind-CV holds 13% of the market and costs Rs 55 for a pack of six tablets.

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