

We have kept drug prices affordable, says regulator

OUR BUREAU

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Drug prices have not increased by more than 3 per cent year-on-year over the last seven years, indicating that the domestic market is maturing, according to CP Singh, Chairman, National Pharmaceutical Pricing Authority.

The rate regulator under the Department of Pharmaceuticals has periodically revised prices since its inception in 1997 to keep essential medicines affordable.

In mid-2013 the Drug Pricing Control Order 2013 resulted in prices of 348 essential medicines being cut by 5-35 per cent to bring them into the affordable category.

Prices of 348 essential medicines have been reduced by 5-35 per cent after the new order came into effect last year.

Now, only about a fifth of the total drugs sold in the country, worth ₹73,890 crore, are under price control, he said. The drugs outside price-control are controlled by another leash that caps year-on-year hike at 10 per cent.

He said the pricing authority, set up in the wake of economic liberalisation in 1995, had twin considerations: affordable medicines and unleashing industry potential. "Now,

after close to two decades, the market has matured."

While preparing the drug list for the DPCO 2013, the regulator found many medicines of the same dosage form and strength being branded under different labels. Companies sold analgesic Paracetamol 500 under 10 brands, and the price ranged from 80 paise to ₹60. But the NPPA put the brands together to ascertain if the entity held over one per cent market-share, which is the threshold for price cut.

Now, the NPPA is collating sales and manufacturing-related data of 108 formulations of the total 646 formulations that it had brought under drug price control.

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