



PHARMACEUTICALS EXPORT PROMOTION COUNCIL
(Set up by Ministry of Commerce & Industry, Govt., of India)

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Dated: 1st Apr 2011

Prices of medicines remained below general inflation rate, NPPA tells Govt:

New Delhi;

Friday, April 01, 2011, 08:00 Hrs;

The National Pharmaceutical Pricing Authority (NPPA) has informed that though the prices of some formulations were hiked in the recent past, the overall increase in the prices of medicines have been generally lower than that for all other commodities.

Citing the Wholesale Price Indices from the Economic Advisor's office of the Commerce Ministry, the NPPA has reportedly informed the Chemicals Ministry that the medicine prices were steadily below the general rate of inflation. The agency said it was taking measures to maintain this trend and kept it under consideration allowing slight increases in the prices of formulations, sources said.

The price regulator had to allow the rise in prices, much smaller than what the companies often asked for, due to the rise in input costs and weaker rupee (in case of imported brands). Prices are normally fixed by the manufacturers depending on various factors like the cost of bulk drugs used in the formulation, cost of recipients, cost of R&D, cost of utilities / packing material, sales promotion costs, trade margins, quality assurance cost, landed cost of imports etc. The agency said it monitored prices of non-scheduled formulations on the basis of data from ORG-IMS which covers about 60000 packs every month.



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The prices of 74 bulk drugs are in the first schedule and formulations containing these drugs are controlled. In the case of non-scheduled formulations, wherever a price increase beyond 10 per cent per annum is noticed, the manufacturer is asked to bring down the price voluntarily failing which, subject to prescribed conditions action is taken for fixing the price of non scheduled formulation in public interest. So far, companies have reduced prices of 65 non-scheduled formulation packs after intervention by NPPA.

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