

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:243

ANSWERED ON:09.08.2012

DIFFERENCE IN RETAIL PRICE AND MANUFACTURING COST OF MEDICINES

Sayeed Muhammed Hamdulla A. B.

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether there is huge difference between the retail price and the manufacturing cost of medicines due to which it is out of reach of the common man;

(b) if so, the details thereof and the reasons therefor;

(c) whether there is any proposal to make a pricing policy for medicines in the country; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) & (b): The prices of 74 bulk drugs and the formulations containing any of these scheduled drugs are controlled under the provisions of the Drugs (Prices & Control) Order, 1995 (DPCO, 1995). National Pharmaceutical Pricing Authority (NPPA) fixes or revises prices of scheduled drugs / formulations as per the provisions of the DPCO.1995. No one can sell any scheduled drug / formulation at a price higher than the price fixed by NPPA. Therefore, there cannot be price variation in cases of scheduled drugs. However, in respect of drugs - not covered under the DPCO, 1995 i.e. non-scheduled drugs, manufacturers fix the prices by themselves without seeking the approval of Government / NPPA. There are wide variations in the prices of non scheduled drugs of different brands based on same chemical combinations as there is no control on the launch price of these medicines. The trend in prices of decontrolled drugs is monitored and suitable action is taken by NPPA where price increase is more than 10% in a period of one year on moving basis.

(c) & (d): The Department of Pharmaceuticals had prepared a draft National Pharmaceutical Pricing Policy (NPPP-2011) based on the criteria of essentiality and requirements as stipulated by the Ministry of Health and family Welfare. The draft NPPP-2011 was circulated among the concerned Ministries/Stakeholders, The draft Policy was also available for comments for other interested persons on the Department's website www.pharmaceuticals.gov.in till 30.11.2011. The views/inputs received on the draft NPPP-2011 were examined and the matter was placed before thÂ© Group of Ministers (GOM) which met on 25.4.2012. Subsequent to this two meetings have been held by the GOM.