



PHARMACEUTICALS EXPORT PROMOTION COUNCIL

(Set up by Ministry of Commerce, Govt. of India)

COPY

Date : 08-02-2010

News / Story reproduced with thanks:- **Business Standard**

Indian SMEs keep pharma prices under check: Study

Direct link to the News/Story:-

<http://www.business-standard.com/india/news/indian-smes-keep-pharma-prices-under-check-study/384945/>

A global study by Health Action International, a non-government body, on the price variations of Ciproflaxin, a commonly used medicine in 93 countries, found the price charged by Bayer, the originator of the drug, to be the lowest in India. India is, however, 22nd in terms of prices for ciprofloxacin's generic equivalents, though India is known for its low cost manufacturing strengths. Industry officials say the low price charged by Bayer here was a result of a large number of generic competitors of the medicine in the country.

"If not for the presence of the small and medium drug companies, the innovator company would not have brought down prices to the minimum in India," said T S Jaishankar, chairman, Confederation of Indian Pharmaceutical Industries. The medicine, which has lost patent protection in all key markets, can be freely manufactured and sold by generic drug makers anywhere in the world. HAI's attempt was to illustrate the high price of medicines even if a drug is out of patent protection. While the study analyses the prices on the basis of purchasing power parity, the amount mentioned in the study is the actual retail price paid by the customer in each country.

On why Indian generic companies were not selling products at the lowest price in the country, as Bayer did, Jaishankar said the lowest priced products available across the world are originating from India. "Indian prices may be 22nd in terms of low price band. But, it is Indian products that are being sold in the countries where the prices are cheaper than Indian ciprofloxacin. The reason is simple. Our taxes make the products high-priced, while duty drawback schemes allow us to sell it at competitive rates abroad," he said.

Individuals from HAI's extended network and partners collected the price a patient would have to pay for Ciprofloxacin 500 mg tablets at their nearest private retail pharmacy on November 30 last year. Prices were collected for both the original brand product made by Bayer and the lowest priced generic equivalent at the pharmacy.

The price a patient would pay for a course of the original brand product in the private sector was highest in Colombia, at more than 200 times the price in the five Asian countries where the price of generics was lowest — a difference of almost 20,000 percent, the HAI findings revealed.

The study said the price of Bayer's Cipro for a 7-day treatment course (14 tablets) was \$3.99 in India. The price of the generic equivalent is shown as \$1.62. As compared to this, Bayer charges \$131.47 in Colombia, the study indicates.

Though HAI, which announced the results of its study last month, considered the findings as just indicative, that Bayer charges the least for Cipro in India is seen as the effect of its immense generic drug manufacturing skills.

The prices where HAI found were lower than in India were countries that do not have manufacturing capabilities like that of India.

HAI wants governments to examine access to affordable essential medicines. "The first step is understanding the medicine price, availability and affordability, through undertaking a medicine price and availability survey, then identifying the causes of high prices and poor availability, developing and implementing policies and strategies, and monitoring their impact to ensure patients benefit from lower prices and improved availability," a HAI statement said.