

# Local Pharmaceutical Cos to reduce prices

**SHR JAHFERY**

**ISLAMABAD**— Prices of medicines in Pakistan are out of reach of a vast majority of the population and should be cut down. Mohammed Asad Chairman Punjab Affairs of the Pakistan Pharmaceutical Manufacturers Association (PPMA) North stated this while commenting on the latest development in the medicines sector as the representative of TheNetwork for Consumer Protection, here Saturday.

Asad announced that some of the local companies have planned a reduction in prices of some of their products. He said although prices of products of local companies are already low compared with those of multinational companies but there is still a big margin of profit that can be reduced without hurting the health of their business.

He said that some of the PPMA North Companies have realized that prices are on higher sides. We at first stage have identified 6-7 molecules including Norfloxacin, Ceftriaxone, Ciprofloxacin, Diclofenic Sodium and Mecobalamin to focus on and re-

duce the prices of these molecules by 30 per cent during this month. Some Karachi and Lahore units have also contacted us to join this price-reduction program. This spree would continue in future as well. All the companies joining this program are manufacturing all the molecules listed for the price reduction.

Asad told that this is PPMA North's plan to decrease in the prices. PPMA North decision is appreciated by lot of peoples (companies). But there is a sizeable profit margin available to the companies and many have volunteered to reduce it and definitely when people (companies) reduce prices it leaves an impact on the market. The molecules we have selected for price reduction carry a share of less than 2 per cent of the market.

He said that in a meeting, I told a multinational company's executive that the higher prices they took from the ministry actually created the local industry and now local industry enjoys a share of more than 50 per cent in Pakistan. If the quality of national companies is less, then the units should not have sustained for the last 15 years. The 50

per cent local share it shows that the products of local companies match the quality standards. I think it is only marketing difference. The multinational companies having vast experience can market their products and convince doctors better than the national ones. That's why an injection of Rs 550 of some multinational company is sold more than the same injection of a local one is available in Rs 99 only.

He further said that various brands between minimum and maximum prices are registered and available in the market.

The age of local brands is much lower than that of leading ones being marketed by multinationals. We cannot afford the resources, the marketing team and the sellers, the multinationals have. We have a team of 70 people only to sell a brand while multinationals have a fleet of 450 people. But gradually the situation is changing.

There is a psychological effect as well. Some companies benefit from their definite corporate image and it is their right, I think. It depends on our professionals (doctors). Macter, national company makes its Ceftriaxone and sells it

on Rs 275. The same national company produces the same molecule for a multinational company Merck and the multinational sells it for Rs 400. Now a doctor, who is used to prescribe Merck products would continue undermining a national company, he added.

Asad hoped that the PPMA stance (bringing down some molecules' prices) is a very good step, which would result in definite price decrease. The prices should be uniformed for both (local and transnational). When government expects the same level of quality standards' compliance from local and multinational companies, the prices should be uniformed. This (uniform pricing regime) would help usher in a new era of new kind of competition. If Merck (multinational) comes to 99 (lowest local brand price) then Macter will further come down to Rs 80 because a reasonable cushion still prevails there.

He emphasized that if there is a uniform pricing regime, all the players (local and transnational) would be forced to further bring down their profit margins and ultimately causing a reasonable cut in the drug prices.