

# The Frontier Post

## Local pharma businesses set to reduce drug prices

### F.P. Report

RAWALPINDI: PPMA secretary admits medicine prices are unfairly at higher sides, criticises MNCs for distorting market competition prices of medicines in Pakistan are out of reach of a vast majority of the population and should be cut down. This was stated by Mohammed Asad, Chairman Punjab Affairs of the Pakistan Pharmaceutical Manufacturers Association (PPMA) North who also owns a pharmaceutical business, in an interview with The Network for Consumer Protection.

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.

Following are excerpts of the interview:

**TheNetwork:** We have heard about a PPMA North plan to reduce medicine prices. Can you give us some details.

**Asad:** Some of the PPMA North Companies have realized that prices are on higher sides and we at first stage have identified 6-7 molecules including Norfloxacin, Ceftriaxone, Ciprofloxacin, Diclofenic Sodium and Mecobalamin to focus on and reduce the prices of these molecules by 30 per cent during this month. Some Karachi and Lahore units have also contacted me to join this price-reduction program. This spree would continue in future as well. All the companies joining this program are manufac-

turing all the molecules listed for the price reduction.

**TheNetwork:** But PPMA South is sending out different signals as they are predicting closure of 50 per cent units due to loss in businesses and are demanding increase in the prices?

**Asad:** This is PPMA North plan. We can't force people for this. PPMA North decision is appreciated by lot of people (companies). 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.

**TheNetwork:** How much market share these products, included in your price reduction program, have in our market of Rs 76 billion?

**Asad:** The molecules we have selected for price reduc-

tion carry a share of less than 2 per cent of the market.

**TheNetwork:** What about the big and expensive brands like Augmentin? They must have even bigger margins of profits. Can your move have an impact on them?

**Asad:** You mentioned Augmentin. Yes there is a reasonable cushion in their prices. Actually the manufacturers of these products did not try to rationalize prices. 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.

**TheNetwork:** Many attribute the difference in the prices of national and multinational companies to the difference in the quality of their products. What do you say about that?

**Asad:** 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 itself shows that the products of local companies match the quality standards. I think it is only marketing difference.