

#### **Rise in the prices of essential drugs**

740. SHRI SYED AZEEZ PASHA:

SHRI M.P. ACHUTHAN:

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

(a) whether it is a fact that the prices of a number of essential drugs have gone up abnormally during the last few months;

(b) if so, the details of essential drugs of which prices have gone up during the last one year with comparative prices at present and one year before;

(c) whether Government is considering to bring out a new drug policy in order to control the prices of essential medicines; and

(d) if so, the details thereof and the status of the proposal?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) and (b) Under the provisions of the Drugs (Prices Control) Order, 1995 (DPCO 1995), the prices of 74 bulk drugs included in its Schedule and the formulations containing any of these drugs are controlled. NPPA / Government fixes or revises prices of the 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 / Government.

During the current financial year 2009-10 (up to 28th June, 2009), the prices of 481 medicine packs have been fixed / revised by the NPPA, out of which only in 42 cases the prices have increased. These comprise 8.7% of the total cases for which prices were fixed / revised during the year. In the remaining cases, the prices were either reduced or fixed for the first time or there was no change in the price.

In respect of drugs not covered under the DPCO, 1995 *i.e.* non-scheduled drugs, the manufacturers are at liberty to fix the prices by themselves without seeking the approval of Government / NPPA. Such prices are normally fixed depending on the various factors like the cost of bulk drugs used in the formulation, cost of excipients, cost of R&D, cost of utilities / packing material, sales promotion costs, trade margins, quality assurance cost, landed cost of imports etc. Wherever a price increase beyond 10% per annum (20% before 01.04.2007) is noticed, the manufacturer is asked to bring down the price voluntarily failing which, subject to prescribed conditions action is initiated under paragraph 10(b) of the DPCO, 1995 for fixing the price of the formulation in public interest. This is an ongoing process.

(c) and (d) One of the recommendations in the draft National Pharmaceuticals Policy, 2006 was to bring the essential medicines under price control which was submitted before the Cabinet for its approval. The Cabinet considered the Policy in its meeting held on 11.1.2007. It was decided that the matter may, in the first instance, be considered by a Group of Ministers (GOM). The GOM had held four meetings but did not make recommendations to the Cabinet.