

OPPI Statement

NPPA's notification extends beyond the mandate of DPCO 2013, which addresses pharmaceutical pricing based on the "essentiality" criteria and clearly states the "intention of the policy is to bring the essential medicines under price control and not to control the Indian Pharmaceutical industry". Less than a year after the new DPCO, and its stiff price cuts on over 340 medicines, NPPA's move brings many more drugs, outside the National List of Essential Medicines, under price control.

The pharmaceutical industry seeks stability and predictability in the regulatory environment and our expectation has been reinforced by assurances from several departments and officials in the Ministry of Chemicals and Fertilizers. They committed to a consultative process with all stakeholders and transparent, market-based pricing caps on essential medicines, with continued flexibility in the pricing of other medicines. We were assured that there would be no volatility in pricing, that Government would work in close consultation with industry and that the intent was to build trust and cooperation. However, NPPA's arbitrary and unilateral action runs contrary to all these sentiments. It has shocked the industry and will be detrimental to the investment climate for market expansion, brand building and employment generation in the future.

The assumption that patients would have better access to medicines, as a result of this price reduction, is erroneous. Even today, thanks to a flourishing generics industry, each branded generic (except for a few patented molecules) has multiple alternatives available at different price points.

The pharmaceutical industry is an integral part of the healthcare system and its growth and sustainability is critical to a robust healthcare environment. We urge Government to revisit this decision and help build a more collaborative environment, partnering and engaging with all stakeholders to find sustainable solutions to the healthcare challenges that face our country today. We hope that authorities will engage and partner with the pharmaceutical industry, to make quality medicines available at affordable prices for the most vulnerable populations, instead of resorting to arbitrary pricing decisions.

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