

PRESS RELEASE

NO IMMEDIATE INCREASE IN DRUG PRICES

Drug Pricing Policy 2018 granted the manufacturer with an annual right to automatically increase prices by 7 % and 10 % without government's right to intervene. Drug Pricing Policy 2018 has been revised by the Federal Government to bring it in lines with Drug Act 1976 and to remove legal lacunae. In doing so, the government has created a step-in clause in Drug Pricing Policy whereby the government can exclude any category of drugs from annual increase of price. DRAP has recently notified the amendments made by the government to Drug Pricing Policy 2018.

The government has not approved any increase in price of essential drugs as incorrectly reported in some media. All this was done in the backdrop of assurance given by pharmaceutical industry that it will not apply for annual raise of drug prices at least till September 2020. The industry has gone back on its words and about one hundred drug companies have applied for annual increase in prices. The government has the right to step in to freeze any or all drug prices to safeguard public interest in view of the COVID situation.