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Medicine makers say price raise inevitable

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HEALTH Minister Ahmed Emad Eddin has decided to hold pharmaceutical companies back from raising the prices of medicines, ministry sources have revealed.

This does not mean that medicines will continue to be at their current rates for long, but the minister, the same sources added, is holding the companies back from raising the prices until Prime Minister Sherif Ismail delivers his government's statement to parliament probably later this month.

Specialists say a raise in the prices of medicines across the board is inevitable if pharmaceutical companies are to compensate for the losses they incurred in recent months as a result of the current unprecedented rise in the exchange rate of the US dollar against the Egyptian pound.

Egypt has 130 pharmaceutical factories, but these factories import almost 90 per cent of the raw materials for their products from other countries.

This is one reason why the rise in the exchange rate of the US dollar – the main import currency – has made most of these companies unable to get raw materials for their medicines from abroad.

Medicine shortages are being more widely felt as patients' rights advocates say as many as 1,000 medicines are disappearing from the shelves of chemists throughout this country.

"There is an urgent need for reconsidering medicine pricing policy," Ahmed al-Ezabi, the head of the Medicine Industry Chamber at the Industries Federation, said. "Medicine prices in Egypt are the lowest in the world."

Pharmaceutical companies say they have been receiving promises for reconsidering the medicine pricing policy for a long time now, but none of the ministers who made these promises had honoured them. So far, nine ministers had made the same promise, but none of them delivered on the promise, the companies add.

Emad Eddin held a series of meetings with pharmaceutical company heads recently and promised to consider their demand for a raise of prices of some medicines. He also agreed to raise the prices of 54 medicines, according to media reports.

The Health Ministry is the government body that decides the prices of medicines sold here.

Experts say a price rise will save pharmaceutical companies, some of which have failed to maintain their production because of the rise in the prices of raw

materials and other production requirements.

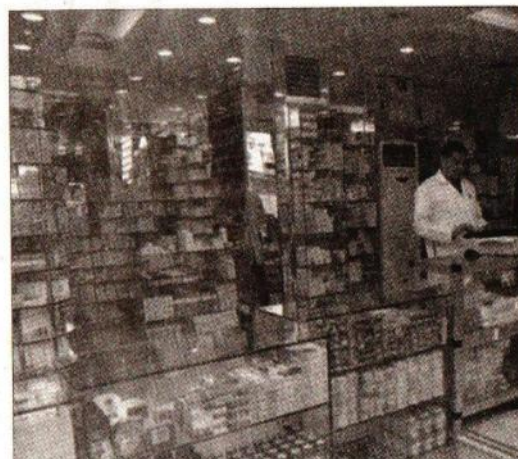
El-Ezabi says a medicine price raise will serve the best interests of the patients.

"The raise will mean that pharmaceutical companies will be able to maintain their production," el-Ezabi said. "This also means that medicine shortages will come to an end."

Egyptians spend around 36 billion pounds (roughly \$4.5 billion) on medicines every year, according to the Pharmacology Association, the independent guild of the nation's pharmacists. Egypt also imports medicine production requirements and raw materials to the value of 12 billion pounds (around \$1.5 billion) every year, the association says.

Sabri el-Tawila, a member of the association, said medicine importers and companies will find themselves unable to buy their needs from abroad as long as current medicine price rates remain unchanged.

"This is why the government must seriously consider the pricing policy, or it will be running the risk of destroying the whole medicine industry," el-Tawila said. "Medicine prices have been the same for decades now without any change."



UNCHANGED FOR LONG: Pharmaceutical companies, demanding a raise in prices, say medicine prices have been the same for too long.

El-Ezabi said the government must at least introduce a 20 per cent raise for medicines whose prices are less than 20 pounds (about \$2.5).

"This raise will bring some order to

the medicine market," he said. "It will also benefit both pharmaceutical companies and the patients who will find locally-made medicines available at pharmacies."



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