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Pharmaceutical companies, Ministry of Health agree to increase prices of 15% of local, 20% of imported medications

By Mohamed Ayyad

Ali Ouf, head of the Pharmaceuticals Division at the Federation of Egyptian Chamber of Commerce (FEDCOC), said that several pharmaceutical companies have agreed with the Health Ministry to increase the prices of 15% of local pharmaceuticals, and 20% of imported ones every six months.

Ouf said that the agreement included specifying three segments to increase prices of local and imported medications, as the products priced less than EGP 50 will increase by 50% of the dollar's difference after the pound's flotation, medications priced EGP 50-100 will increase by 40%, and the ones priced more than EGP 100 will increase by 30%.

A source in a foreign pharmaceuticals company said that companies have agreed to this proposal, but the minister pledged to present it in its final form to the cabinet during its weekly meeting on Wednesday in order to issue a final approval.

A source in the pharmaceutical chamber at the Federation of Egyptian Industries (FEI) said that local companies have agreed to the proposal, especially given that the increases are linked to the price difference of the US dollar against the Egyptian pound after the flotation. This means that when the dollar price decreases, the prices of pharmaceuticals will decline.

The pharmaceuticals chamber has expressed its objection to the Health Minister's recent proposal to divide the medications whose prices would increase into four segments.

Sources said that the chamber is working to provide medications for Egyptian patients, especially with the absence of a comprehensive health insurance system.

The production costs of pharmaceuticals that depend on imported raw materials and final products from abroad have increased after the pound's flotation. The pound's value has declined against the dollar, recording EGP 19, compared to EGP 8.88 before the flotation.