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Crisis between Health Ministry and companies boiling

WE DEMAND NEW INCREASE NEXT MONTH TO FULFIL JANUARY PROMISES: FOREIGN COMPANIES

By Mohamed Moustafa

Sources in the Pharmaceutical Industry Chamber at the Federation of Industries said that some pharmaceutical companies are going to demand the Ministry of Health to move the prices of a number of medicines starting next month.

The sources said that the government's decision to increase fuel prices a few days ago, boosted the efforts of companies to demand a new increase of medicines prices, especially since the companies received a promise from the Ministry of Health in January to reconsider the prices of some drugs in August.

The sources added that the rise in fuel prices will negatively affect the prices of production inputs used by the sector, including packaging materials, and will raise the cost of distribution of medicines in the provinces.

They said drug companies use large transport vehicles to transport medicines, as well as sales representatives, which will cause companies losses due to increased fuel prices.

The head of a foreign company operating in the Egyptian market said that quite a number of foreign companies are demanding the Ministry of Health to fulfil the promise they made to companies in January to move up the prices of some drugs in August.

The Ministry of Health had agreed to increase the prices of medicine twice, one in May 2016 and another in January 2017, after



Drug companies use large transport vehicles to transport medicines, which cause companies lose money



COMPANIES ONLY AGREED TO THE RATES OF INCREASE AFTER THE MINISTER PROMISED TO CONSIDER THE PRICES AGAIN IN AUGUST

several demands from companies. The first increase moved the prices of all medicine under EGP 30 up by 20%. The second increase hiked the prices of 10% of locally manufactured drugs and 15% of imported medicine by 30-50%.

The source warned that if the

Ministry of Health ignored the demands of foreign companies, this will lead to some medicines disappearing, as companies will be unable to continue production while losing.

"Companies only agreed to the rates of increase after the minister promised to consider the prices again in August," he added.

Deputy head of Chamber of Pharmaceutical Industries at the Federation of Egyptian Industries Osama Rostom, said that pharmaceutical companies hoped that a new set of medicine will see prices increase in August.

He told Daily News Egypt that drugs are a commodity priced by the Ministry of Health, and drug companies will not be able to increase their prices, such as transportation and food companies, except through a ministerial decision.

He noted that the government

will ask the pharmaceutical companies to bear the increase in costs resulting from the increase in fuel prices, especially that the Egyptian street is not ready to see any new increase in prices of medicines during the current period.

Mohi Hafez, member of the Board of Directors of the Chamber, said that the decision to increase fuel prices will negatively affect the profitability of pharmaceutical companies during the coming period.

Hafez described the current economic situation as difficult, and said that companies will not be able to demand any new increase in prices.

He pointed out that the Ministry of Health will review the prices of all medicines early next month, but will not take a decision to move new prices.