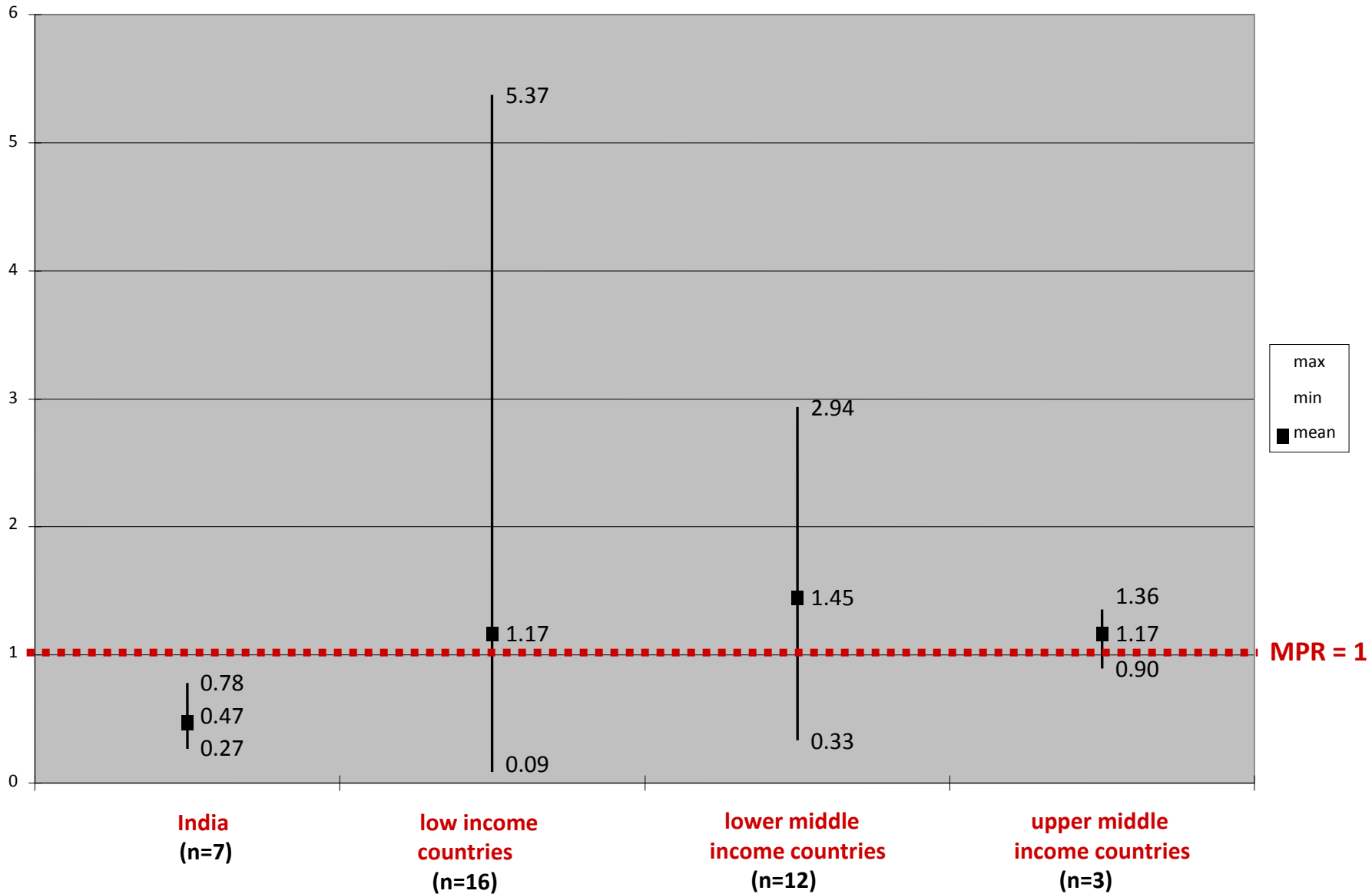


Medicine Pricing Issues

Richard Laing

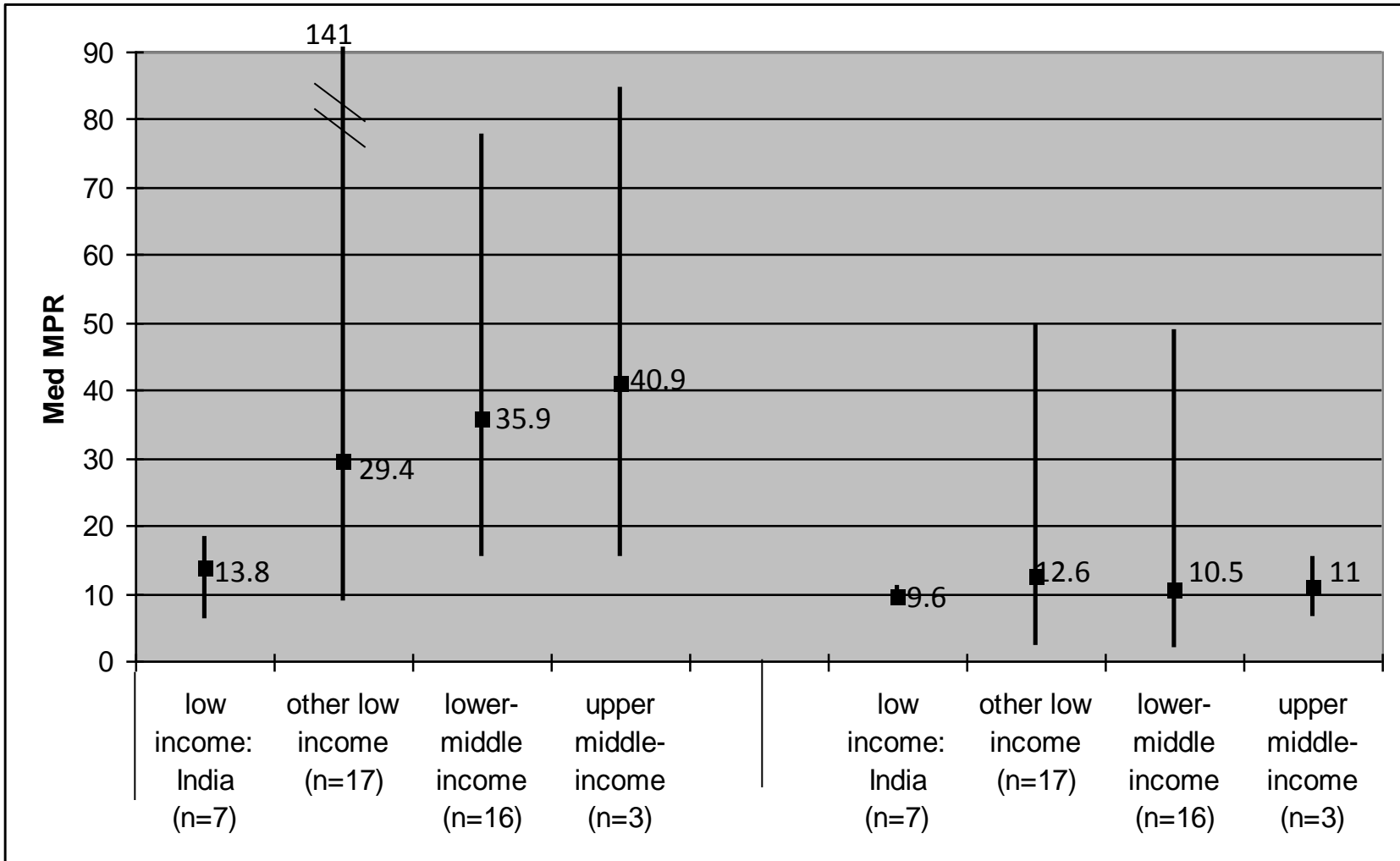
EMP/WHO

Government procurement prices for lowest priced generics



Median patient prices, private sector

Adjusted CPI & PPP



Originator brands

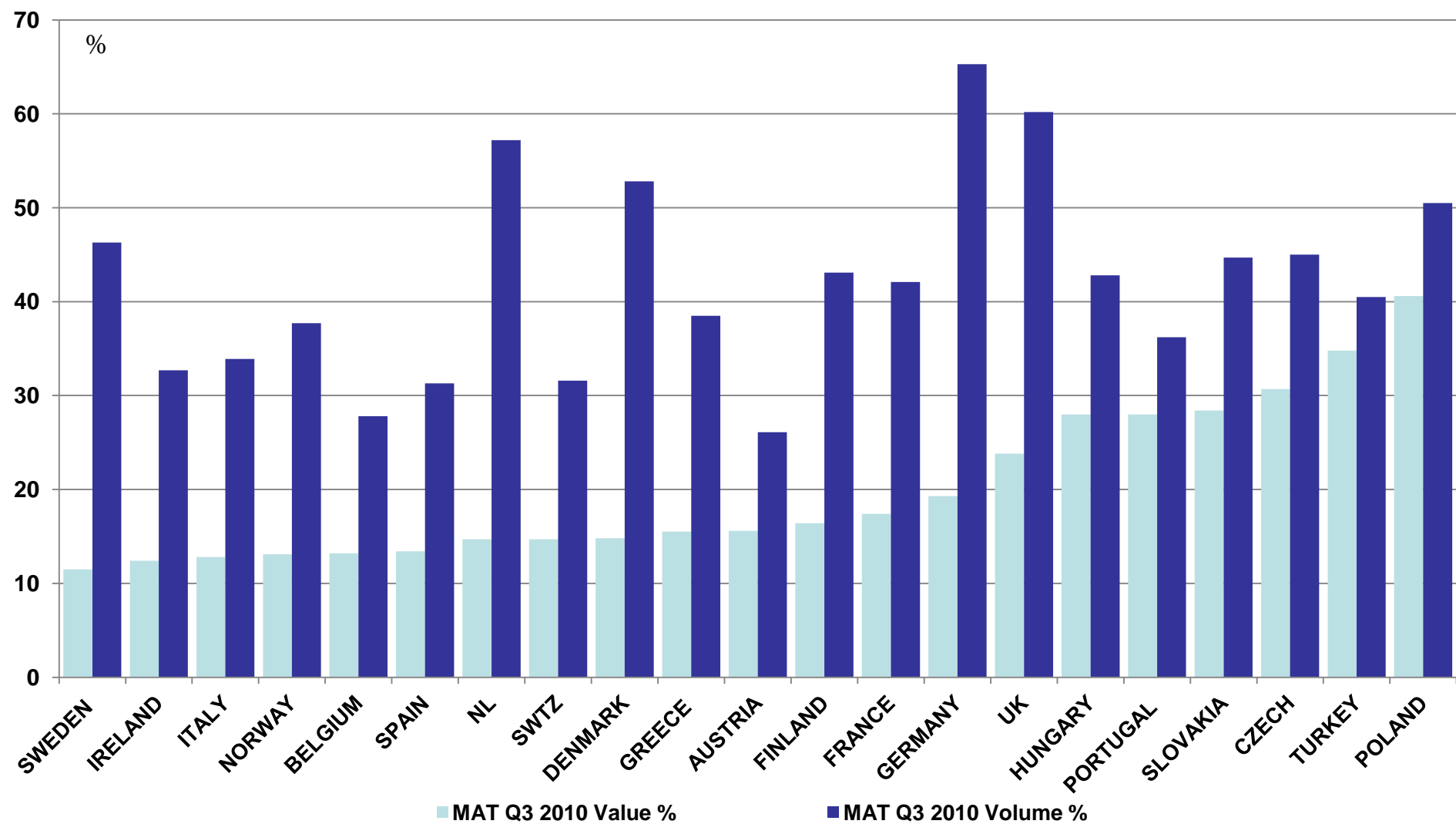
Lowest priced generics

**Cumulative percentage mark-ups between manufacturer's selling price and
final patient price, private sector**

Country	Total cumulative % mark-up
China (Shandong)	11-33%
El Salvador	165-6894%
Ethiopia	76-148%
India	29-694%
Malaysia	65-149%
Mali	87-118%
Mongolia	68-98%
Morocco	53-93%
Uganda	100-358%
Tanzania	56%
Pakistan	25-35%

Generic Market Shares 2010

Value & Volume - Retail



Must watch for unintended negative effects

- Price controls may lead to excessive prices when the price is not adjusted to consider changes in the market
- Setting prices too low can discourage production/stocking of a product
- Regulating mark-ups can provide incentive to sell higher-priced products
- Eliminating taxes can provide an opportunity for retailers to increase their margin (i.e. savings not passed on to patient)

BUT.....are these the best policies for improving access to affordable medicines???

Our current challenge: what are the most effective policy actions in different contexts?

WHO/HAI and international price policy experts are developing guidance on options for policies affecting medicine prices and their impact in various settings:

- developed a policy 'landscape'
- commissioned a series of policy review papers: 6 have been published by mid-2010, more to follow
- policy briefs & electronic policy analysis tool
- identify research needs

See

<http://www.haiweb.org/medicineprices/policy/index.html>