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### **Pharma Chamber Will Comply with Government Gazette on Drug Price Reductions**

The Sri Lanka Chamber of Pharmaceutical Industry (SLCPI) has always held the view that a practical pricing mechanism would ensure fair play to all stakeholders from the patient to manufacturer, importer distributor and retailers.

The Pharmaceutical market in Sri Lanka is largely an import based one that enjoyed the opportunity of having access to high quality innovator products from countries around the world as well as generic drugs that were mostly imported from the Asian region. Thus the patients of this country had the freedom to avail themselves of pharmaceutical products based on their needs.

Whilst the SLCPI reiterates the above facts, the Chamber is also aware that there may have been some instances where an isolated few would have had excess pricing. However, the currently imposed ceiling on drug pricing which has been gazetted, runs the risk of innovator drug companies exiting the market due to their inability to price pharmaceutical products as low as what is stipulated by the authorities. It is almost impossible for an innovator drug, manufactured after years of research and clinical trials to be priced similar to one of its generic formulations.

While the SLCPI confirm that there are very effective generic products in the market there are many instances when the quality of some of these products become questionable. Therefore, placing total dependence on this pharmaceutical segment can jeopardise the health of the patient. Furthermore, in the case of the innovator products it is important that the agencies representing these companies are present in Sri Lanka; if we are abandoned by them our country will be left out of the newer drugs that come in to manage and overcome diseases.

Whilst we sincerely hope that the innovator companies will devise a method to continue the availability of these Pharmaceutical products in this market; the regulators would need to view this rather serious issue objectively, taking into account all the market forces. Otherwise, there is the strong possibility of innovator drugs, as well as some reputed pharmaceutical manufacturers producing standardised drugs exiting the country.

In that event, patients who are dependent on innovator drugs to manage their life threatening illnesses or in some cases ongoing health conditions, would be left with no option but to look at flying to nearby countries to purchase their needs. This could also lead to illegal parallel imports as well as opening the doors for spurious products to enter the market. These eventualities have become global problems, that we need to be aware of in order to ensure proper safeguards.

From the patients' point of view, in order for them to be ultimate beneficiaries of the healthcare system, it needs to be sustainable for all stake holders in the

supply chain operation, since any breakdown would only hurt end users. From another perspective, as the country moves towards an economically sound future that includes the global market place, it is important for the Government to send the right signals to the International community - free market access would only serve to fuel Investor confidence.

Whilst the SLCPI is committed to work closely with the Government of Sri Lanka in bringing the best possible healthcare services to the people of this country, we expect a meaningful interaction in devising a long term solution that will benefit the Sri Lankan people.

With regard to the present Gazette notification by the government, the SLCPI will comply, but will keep channels open for further discussion and negotiations.