

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:2611
ANSWERED ON:11.12.2006
DRUG PRICING FORMULA
Lagadapati Shri Rajagopal

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether the Ministry's drug pricing formula has been opposed by the Planning Commission;
- (b) if so, the reasons therefor; and
- (c) the reaction of the Government thereto?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF THE STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a) to (c): The draft Cabinet Note on National Pharmaceutical Policy, 2006, wherein it was proposed that basket of drugs for price control would be the essential medicines as contained in the National List of Essential Medicines, 2003 (NLEM), in addition to 74 drugs which are at present under price control under the Drugs (Prices Control) Order, 1995 (DPCO `1995), was circulated amongst various Ministries/Departments for their comments. On the issue of price control the Planning Commission has expressed its apprehension that increase in span of price control could prove to be counter-productive as it would discourage new investments and limit competition.

A Joint Committee with members from the drug industry was constituted under the Chairpersonship of Secretary (C&PC) to suggest, inter-alia, interpretation of order dated 10.03.2003 of the Supreme Court in SLP 3668/2003. The Joint Committee has submitted its report to the Government on 30-11-2006 and the same will be taken into consideration while finalizing the National Pharmaceutical Policy, 2006.