

# NPPA to clear hike in drug packaging price by 5.8%

This would increase prices of drugs by 100 bps or 1%

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The National Pharmaceutical Pricing Authority (NPPA) is set to approve a 5.8% increase in the packaging cost of drug makers, which will up drug prices by 100 basis points, an official with the regulator said.

Packaging cost was last raised two years ago, the official said.

"The norms for conversion cost, packaging charges and packing material are required to be notified every year. We have not changed them for the last two years. But now, taking note of the rise in input cost pressures for the pharmaceutical industry, we have decided to allow an increase by 5.76%," the official, familiar with the development, said.

The move is expected to boost drug manufacturers' margins, as packaging costs have a significant weightage in regulated drugs' pricing.

The regulator fixes the maximum retail price of medicines by a formula that includes packaging conversion and material costs and excise duty.

"Prices of medicines may go up sharply if the packaging cost is increased," an analyst tracking the sector said.

## OTHER PRICE DECISIONS

### RAISING

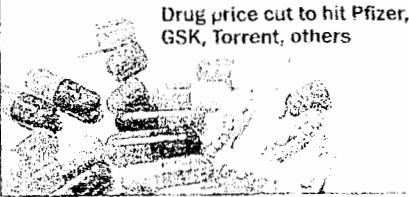
Cipla drug Asthalin by 10%

Aventis' Novalgin injection price by 23.5%

### CUTTING

Aventis' Novalgin tablet price to be cut by 3.7%

Prices of 24 imported drugs cut by 1.5-3.7%



The pricing authority will soon increase the price of Cipla Ltd's asthma drug Asthalin by 10% and Aventis' Novalgin injection by 23.5%, the NPPA official said.

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