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PRESS RELEASE

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Pharmaceutical survey shows pharmacies profiteering with huge mark-ups

The Consumer Council of Fiji survey on the Fiji Pharmaceutical Industry revealed that majority of the pharmacies in the country is profiteering through astronomical trade margins. The key findings in price analysis for individual medications showed that 30 pharmacies out of the 47 surveyed or 57% charged higher prices for medications with same brand, same batch number, expiry date and same quantity; in some cases overcharge was up to as high as 460%. Our findings show that despite prescription medicines being under price control within maximum percentage mark-up of 35%, the trade margins are very high.

For example, in the case of *frusemide*- a medication used for heart disease- 2 pharmacies including Midway Pharmacy, Ba and Chovhan pharmacy, Lautoka were found charging 460% more for same medicine as sold by the Nadi Chemist. Midway Pharmacy, Ba and Chovhan pharmacy, Lautoka sold *frusemide* (*Microlab*) at \$4.65 as compared to Nadi Chemist which sold same drug for 0.83cents. This is a case of unethical practice where consumers were duped into buying generic medicine but at an originator drug price. A similar case was also discovered with *frusemide* Apo where Nasea Chemist in Labasa sold Apo for \$1.35 while Northern Drug Store and Thakorlal Pharmacy-Nadi charged \$4.65 for the same drug. This was a price difference of 244%.

A good comparison can also be made with Aspirin. Our findings revealed that Midway Pharmacy, Ba sold Aspirin at \$2.70, which was 350% more for the same quantity and same brand of medicine available at Mega Care Pharmacy, Holistic Pharmacy, Rewa Pharmacy, and Wyse Pharmacy – Valelevu, which sold Aspirin tablets for \$0.60.

Again A J Swan in Suva sold a generic drug *metformin* (*Pure Pharma*) of same quantity at \$2.00 as compared to Wyse Pharmacy – Valelevu, Mega Care Pharmacy-Makoi, and Holistic Pharmacy – Suva which sold same quantity and same brand for \$1.05. A price difference of 94%. Island Pharmacy in Ba sold 500mg of 10 *Stalmox Amoxicillin* tablets at \$7.00 while Guardian Angel Pharmacy in Laucala Beach sold the same tablets for \$1.85. The percentage price difference here was of 278% which was unfounded.

The table below shows price analysis for individual price for same brand, same batch number, same quantity and expiry dates.

Manufacturers Name	Drug Name	Quantity	Weight	Lowest Price	Highest Price	% difference
<i>Microlab</i>	<i>Frusemide</i>	30	40mg	\$0.83 Nadi Chemist	\$4.65 Midway Pharmacy- Ba & Chovhan Pharmacy Ltd- Lautoka charged originator brand price for generic medicine.	460%

Not Stated	<i>Arrow-Simvastatin</i>	30	20mg	\$5.10 Hyperchem Ba	\$15.00 Patel Pharmacy Sigatoka	194%
Not Stated	<i>Aspirin –</i>	15	300mg	\$0.60 Mega Care Pharmacy, Holistic Pharmacy, Rewa Pharmacy, Wyse Pharmacy – Valelevu	\$2.70 Midway Pharmacy, Ba	350%
<i>Stallion Laboratories Pty Ltd</i>	<i>Stalmox-Amoxicillin</i>	10	500mg	\$1.85 Guardian Angel Pharmacy, L/Beach	\$7.00 Island Pharmacy, Ba	278%
<i>Apo</i>	<i>Frusemide</i>	30	40mg	\$1.35 Nasea Chemist, Labasa	\$4.65 Northern Drug Store & Thakorlal Pharmacy-Nadi charged originator brand price for generic medicine.	244%
<i>Flamingo Pharmaceuticals Ltd</i>	<i>Flaminopril</i>	30	10mg	\$1.65 Holistic Pharmacy, Suva	\$4.00 Patel Pharmacy, Sigatoka	142%
<i>Pure Pharma Ltd</i>	<i>Pure Pharma</i>	30	500mg	\$1.05 Wyse Pharmacy – Valelevu, Mega Care Pharmacy- Makoi, Holistic Pharmacy –	\$2.00 AJ Swan	94%
<i>Windlas Biotech Ltd</i>	<i>Winstatin</i>	5	20mg	\$3.45 M S Pharmacy Nadi	\$10.00 Western Medicare Ltd	190%
Not stated	<i>Arrow</i>	30	20g	\$2.95 Budget Pharmacy	\$9.45 My chemist, Nasea Chemist & Northern Drug Store	220%
<i>Flamingo Pharmaceutical Ltd India</i>	<i>Flaminopril</i>	30	10g	\$1.50 Life Pharmacy Nausori	\$5.00 Chovhan Pharmacy, Lautoka	233%
Not Stated	<i>Arrow</i>	30	20g	\$3.08 Nadi Chemist	\$7.50 Chovahan Pharmacy Lautoka	143.5%
<i>Prawil Laboratories Ltd</i>	<i>Amoxywil</i>	9	500mg	\$1.61 Amy Street Pharmacy,	\$4.00 Midway Pharmacy, Nadi	148%
<i>Glaxo Smith Kline</i>	<i>GSK</i>	9	500mg	\$3.60 MS Pharmacy, Nadi	\$7.24 Thakorlal's Pharmacy, Lautoka	101%
<i>Flamingo Pharmaceutical Ltd India</i>	<i>Flaminopril</i>	30	10g	\$1.73 Hyperchem Pharmacy, Ba	\$5.00 Midway Pharmacy, Ba	189%
<i>Ranbaxy Laboratories Ltd</i>	<i>Invoril</i>	30	10mg	\$2.25 Guardian Angel, L/Beach; Wyse Pharmacy,	\$4.50 Wyse Pharmacy, Nakasi	100%

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The Council is also baffled at the illogical pricing with extremely high mark-ups on medications of same quantity, batch number and brand despite being under price control. For example, Midway Pharmacy, Ba sold 15 *aspirin* tablets of 300mg for \$2.70 while Wyse Pharmacy, Nakasi sold 20 Aspirin for \$2.25 whereas Health First Pharmacy, Life Pharmacy, Nadi, and Nadi Chemist sold 30 Aspirin for \$0.73. **Why 15 Aspirin is \$2.70 whereas 30 Aspirin is for \$0.73?**

Similarly, Sugar City Pharmacy, Lautoka sold 15 *amoxicillin* (Apo) for \$3.45 while Chovhan Pharmacy Ltd, Lautoka sold 9 tablets of *Amoxicillin* (Apo) for \$4.00. Also 10 *Amoxywil* capsules were sold for \$2.00 by Hyperchem, Ba where as Midway Pharmacy Ltd sold 9 tablets of *Amoxywil* for \$4.00. **Why 9 tablet is costing (\$4.00) two times more the price of 10 (\$2.00) *Amoxywil* ?** This is illogical pricing and poor consumers suffer as the result of this. Consumers have to fork out more money.

The Council wants the pharmaceutical sector to explain to the Government – which provides incentives to consumers- for rebutting complains of exorbitant medication prices and requesting for decrease in price. Despite prescription medicines under price control with maximum percentage mark up of 35%, the Council’s survey reveals very high trade margins. For example, drugs such as *Microlab- Frusemide* was sold by different pharmacies with 460% price difference; *Aspirin* from India was sold with 350% price difference; *Arrow* brand *Simvastatin* tablets sold with 408% price difference are only a tip of the iceberg. Council survey also noted that several pharmacies sold originator brand for maximum profits. No benefit is passed on to the consumer who is forced to pay a very inflated cost, whereas easily they could have been lower, while ensuring reasonable profits to the retailer.

The Council wants this unfair practice curtailed and for consumers to benefit from the Government policies intended to lower the cost of prescription medicines.



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Premila Kumar
Chief Executive Officer