



Right to Health Program

Press release

27 April 2010

Court of Administrative Justice Suspends New Drug-Pricing System

EIPR: the ruling stops the violation of citizens' right to health and life and the government must implement it immediately

The Court of Administrative Justice today issued a ruling suspending work under the new drug-pricing system, which tied drug prices in Egypt with global prices. The Egyptian Initiative for Personal Rights (EIPR) filed an urgent lawsuit (no. 2457/64) on 22 October 2009 asking the court to suspend Health Minister Decree 373/2009, which would have entailed substantial price hikes for many kinds of drugs.

“This ruling protects citizens from violations of their right to access medicines, which is indivisible to the rights to health and life,” said Adel Ramadan, EIPR’s Legal Officer. “The government must implement the ruling immediately.”

The contested ministerial decree went into effect on 25 September 2009. The EIPR warned that the decree would lead to higher prices for generic drugs in particular, which Egyptians rely on heavily due to their low cost. Unlike the old system, in which the price of generic drugs was determined on the basis of the actual production cost, plus a set of profit mark-ups, under the new decree prices of generic drugs will be set at a fixed percentage markdown from the expensive originator-brand drugs —either 30, 40 or 60 % markdown. The new system was established despite the findings of a Ministry of Health study released in 2004, which found that on average originator-brand drugs are three times as expensive as generics. Some generic drugs are as much as 95% cheaper than their originator-brand counterparts.

Dina Iskander, a researcher with the EIPR's Right to Health Program, noted, "The new pricing system has several flaws that make it impossible to implement on the ground. It contains loopholes that allow pharmaceutical companies to circumvent the rules and obtain the highest possible price for their products regardless of their true cost."

The EIPR stressed that any pricing regime must be based on a recognition of citizens' right to access medicines without discrimination, is in turn essential for the fulfillment of the rights to health and life. The EIPR said that the Ministry of Health is responsible for ensuring that any pricing system permits all citizens to access quality drugs at reasonable prices. The EIPR also urged the Ministry to involve citizens and civil society in the process of establishing a pricing system.