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Chinese planning agency to probe pharma prices

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Singapore: China's primary economic planning agency, the National Development and Reform Commission (NDRC) is in the process of investigating the costs and prices charged by drugmakers. According to a statement released by the commission on July 2, 2013, production costs and prices set by leading multiple foreign and Chinese drug companies will come under the scanner.

NDRC will be examining 27 companies on cost related issues while 33 companies will be scanned for pricing. The agency has said that they will be leading this investigation to understand the cost and pricing situation within the companies, so as to adjust the drug prices in a timely manner.

The companies that will be investigated over costs, include GlaxoSmithKline, Merck, Astellas, Sandoz, Boehringer Ingelheim, Baxter and Fresenius. The agency has added that the investigation team from NDRC will visit all the companies involved between July and October.

NDRC is currently investigating the potential price-fixing and anti-competitive behavior by five instant milk powder makers, including Swiss food company Nestle and French rival Danone. Both the companies decided on Wednesday to cut the price of infant formula milk in China.