
GOVERNMENT NOTICE

DEPARTMENT OF HEALTH

No. R. 705

20 September 2013

MEDICINES AND RELATED SUBSTANCES ACT, (No. 101 of 1965)

REGULATIONS RELATING TO A TRANSPARENT PRICING SYSTEM FOR MEDICINES AND SCHEDULED SUBSTANCES: ANNUAL ADJUSTMENT OF THE SINGLE EXIT PRICE OF MEDICINES AND SCHEDULED SUBSTANCES FOR THE YEAR 2014

The Minister of Health, on recommendation of the Pricing Committee and in terms of the Transparent Pricing System for Medicines and Scheduled Substances published in terms of the Medicines and Related Substances Act, (No 101 of 1965) as amended, intends to make a determination on the extent to which the Single Exit Price (SEP) of Medicines and Scheduled Substances, may be adjusted for the year 2014.

In making this determination the following provisions of Regulation 8(1) will be considered—

- the average CPI for the preceding year;
- the average PPI for the preceding year;
- changes in the rates of foreign exchange and purchasing power parity;
- international pricing information relating to medicines and scheduled substances;
- comments received from interested persons in terms of Regulation 8 (2); and
- the need to ensure the availability, affordability and quality of medicines and Scheduled substances in the Republic.

In the past, the following formula was used as a guide in the review of the SEP adjustment—

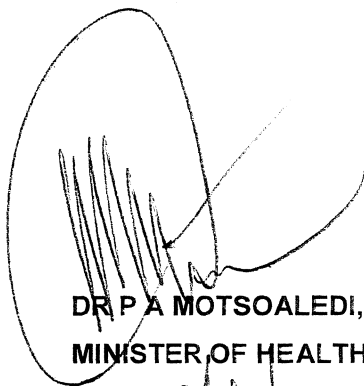
$$70\% \text{ (South African CPI)} + 15\% \text{ (Euro Rand exchange rate)} + \\ 15\% \text{ (Dollar Rand exchange rate)} = \% \text{ Adjustment}$$

The official data used in the formula with respect to the Consumer Price Index (CPI) for South Africa and the foreign exchange rates should be obtained from official publications by the Statistics South Africa at www.statssa.gov.za and the South African Reserve Bank at www.resbank.co.za respectively.

The official period considered for determining SEP adjustment is from October 2012 till September 2013.

Interested persons are invited to submit substantial comments in writing on a compact disc and a hard copy within three months from the date of the publication of this Notice to—

The Director: Pharmaceutical Economic Evaluation
National Department of Health
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DR P A MOTSOLEDI, MP
MINISTER OF HEALTH
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