
GOVERNMENT NOTICE

DEPARTMENT OF HEALTH

No. R. 480

3 July 2014

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

REGULATIONS RELATING TO A TRANSPARENT PRICING SYSTEM FOR MEDICINES AND SCHEDULED SUBSTANCES: COMMENT NOTICE ON THE ANNUAL ADJUSTMENT OF THE SINGLE EXIT PRICE OF MEDICINES AND SCHEDULED SUBSTANCES FOR THE YEAR 2015

In terms of Regulation 8 (1) of the Regulations Relating to the Transparent Pricing System for Medicines and Scheduled Substances of the Medicines and Related Substances Act, 1965 (No. 101 of 1965), the Minister of Health is required to determine on an annual basis, the extent to which medicine prices may be adjusted. In making this determination the Minister considers the following provisions of Regulation 8 (1)-

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

In 2014, 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 were obtained from official publications by

Interested persons are invited to submit any substantiated comments and representations on the Minister's intended review, on a compact disc and a hard copy within three months from the date of publication of this notice to:

The Director-General: Health

For Attention: Director (PharmaceuticalEconomicEvaluations)

Room2610SouthTower

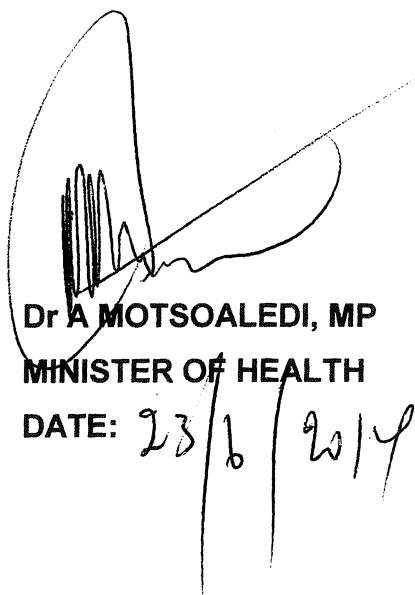
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PRETORIA, 0001

For any further enquires please contact Mr. S Mngadi

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Dr A MOTSOLEDI, MP
MINISTER OF HEALTH
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