

DEPARTMENT OF HEALTH

NO. 6162

2 May 2025

MEDICINES AND RELATED SUBSTANCES ACT NO. 101 OF 1965
(ANNUAL SINGLE EXIT PRICE ADJUSTMENT (SEPA) OF MEDICINES AND SCHEDULED
SUBSTANCES FOR THE YEAR 2026)

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, (No.101 of 1965) as amended, 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.

Based on the comments received from previous annual reviews on the adjustment methodology, stakeholders have recommended weightings in the review of the annual Single Exit Price Adjustment (SEPA) expressed as follows:

- I. 70% CPI + 30% Forex
- II. 50% CPI + 50% Forex
- III. 100% CPI
- IV. 50% PPI + 50% CPI

In accordance with Regulation 8(1) (e) read together with regulation 8(2), stakeholders are however encouraged to propose alternative formula proposals once per annual SEP adjustment

cycle. Such proposals must be supported by relevant evidence to qualify for consideration in the forthcoming annual SEPA determinations. Furthermore, it shall be expressly noted that any alternative proposals submitted shall only be eligible for consideration in the subsequent review year.

The Minister in making his/her determination for the next annual adjustment cycle may consider the weighting(s) as a guide *in addition* to the provisions of Regulation 8(1) as listed above.

The official published data to be used in the determination of SEPA with respect to regulation 8(1) would 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. The review period is from August 2024 to July 2025, commencing at the end of the previous cycle.

Interested persons are invited to submit any substantiated comments demonstrating their rational and supporting evidence with regards to the factors considered when determining 2026 SEPA in terms of the provisions in regulation 8(1) as listed above. Submissions should be sent via e-mail to sepupdates@health.gov.za, within three months from the date of publication of this Notice to:

The Director-General: Health
For Attention: Dr Ntobeko M. Mpanza
Director (Pharmaceutical Economic Evaluations Directorate)
Room D1-16A
Dr Xuma Building
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PRETORIA

For any further enquiries please contact Dr NM Mpanza at the Directorate: Pharmaceutical Economic Evaluations: telephone: 012 395 8209/8181/4/5; e-mail: sepupdates@health.gov.za or Ntobeko.Mpanza@health.gov.za



DR PAKISHE AARON MOTSOLEDI, MP

MINISTER OF HEALTH

DATE:

20/3/2025