

Medicines Prices in Uganda: Wholesale and Retail Prices and Markups

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Objective

- Procurement prices for NMS and JMS to the international reference prices
- Mark ups for NMS and JMS
- Competiveness of NMS and JMS selling prices with local wholesalers
- Price differences between retail pharmacies and Hospital private wings.



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Sample

- Selection of 51 EMHS (42 medicines and 9 non supplies)
- Items primarily selected from NMS Order Form and included in the EMLU.
- 76% can be ordered by all levels of care 24% for Hospital and HC IV.



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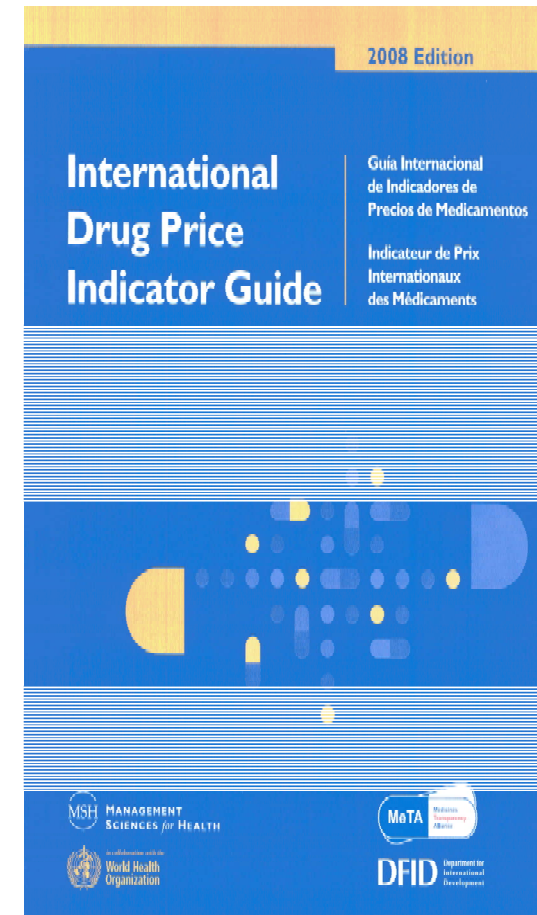


Data Sources

- **International Drug Price Indicator Guide(IPDIG)-2008**

7 Districts	Hospital Private Wing	20 Pharmacies
3 Wholesalers	Gov't -3 PNFP - 6	3 Drug Shops

- **All prices are calculated in UGX per unit (tablet, capsule, tube, ampoule, vial, etc)**

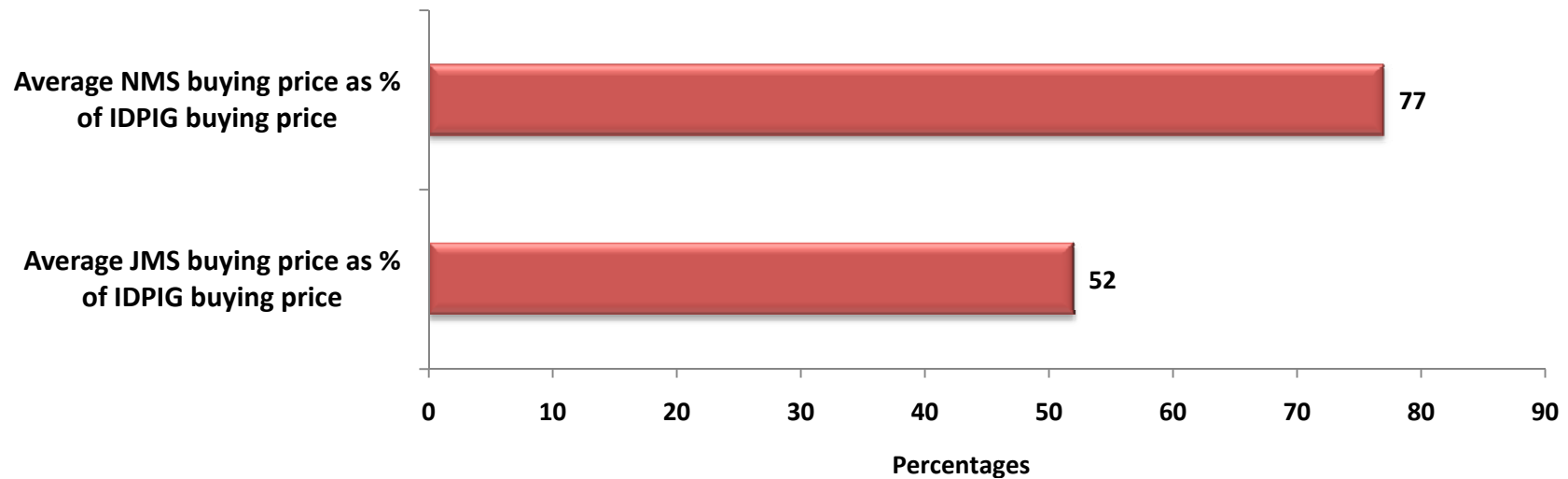


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Do NMS and/or JMS get better prices than the international reference price?

Average buying prices of NMS and JMS measured against IDPIG reference prices



- NMS and JMS prices were found to be more competitive with better buying prices than the international prices .
- JMS appears more efficient in their procurement with a lower buying price than NMS. (25% cheaper)
- Note: Procurement efficiency based on the dimension of price

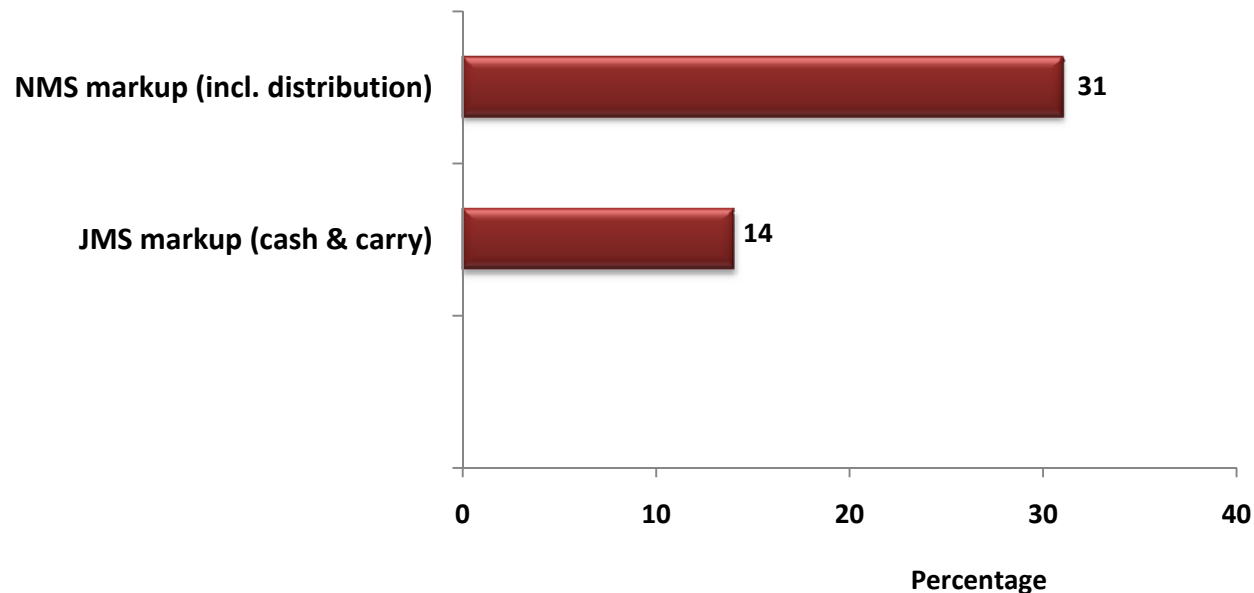


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How do NMS and JMS Markups Compare?

Average markup for NMS and for JMS
calculated from provided buying and selling prices



- JMS applies a lower mark up indicating that it's less expensive buying from JMS than NMS.
- NMS Markup is “virtual”, no cash payments are made
- Mark ups (Range 0% to 100%)
- Excluding distribution, the NMS markup will be 23%

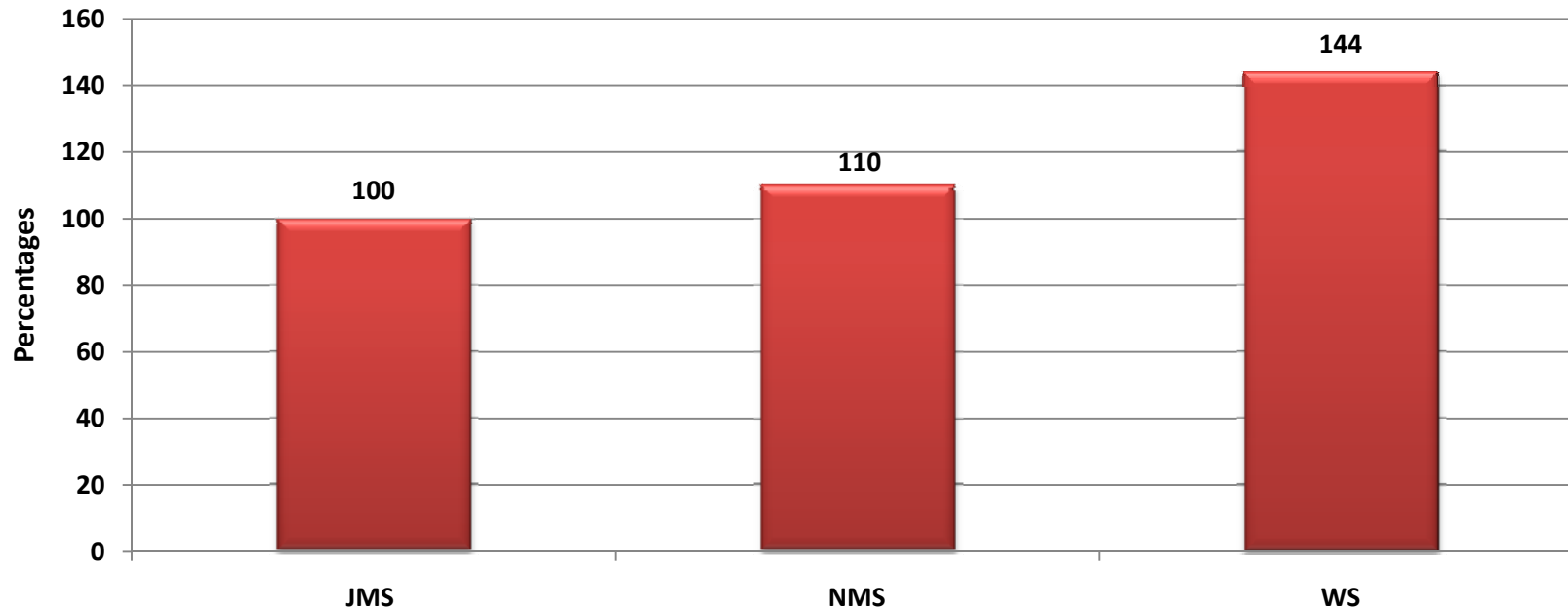


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How do private wholesaler prices compare with JMS and NMS prices?

NMS and Local (WS) prices measured against JMS selling prices



- JMS and NMS prices were found to be more competitive than the local wholesalers
- Note: JMS is used as a reference for this comparison based on the dimension of price

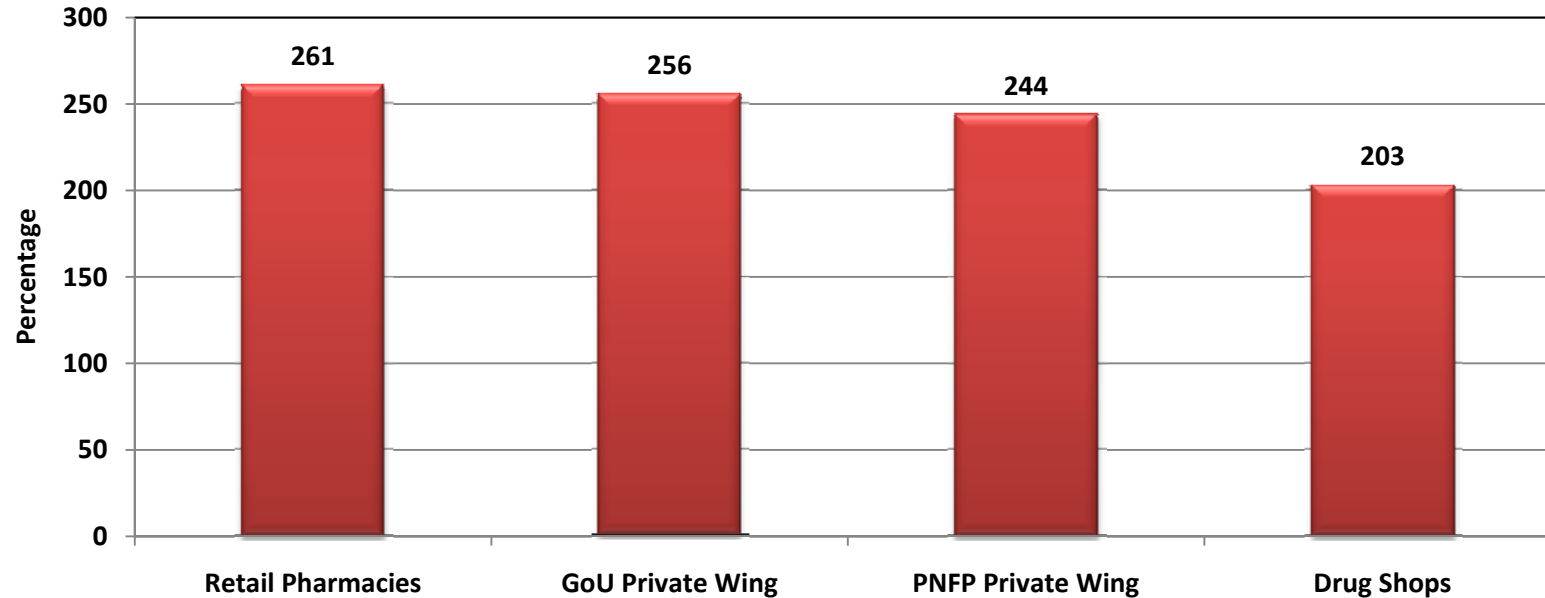


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What are the costs the patients have to pay?

Percentage mark up of market prices compared to JMS selling price as a baseline



- Retail Pharmacies have the highest mark up.
- Markups range from (10%-300%)
- Note: This is a reflection of the relative cost of medicines to patients/consumers measured against the JMS sales prices as a reference.



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Findings compared to previous studies

Study Authors (Year)	Price Mark Up's (Private sector)	Buying Price (NMS and JMS)	Selling Price (Private Sector)
Uganda medicine pricing survey report (April 2004)	20%-300%	<ul style="list-style-type: none"> •85% of the medicines at NMS cost less than IDPIG •72% of the medicines at JMS cost less than IDPIG 	<ul style="list-style-type: none"> • Private pharmacy prices almost doubled along the distribution chain
SURE price study (2010)	10%-300%	<ul style="list-style-type: none"> • 90% of the medicines at NMS and JMS cost less than IDPIG 	<ul style="list-style-type: none"> • Similar finding

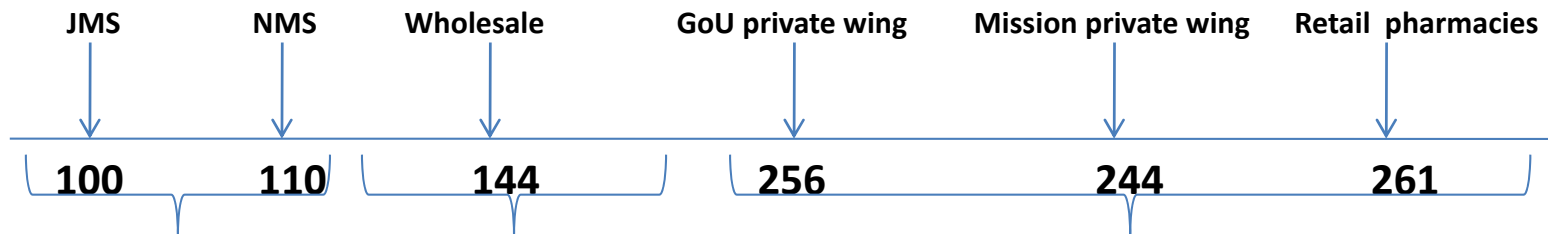


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Conclusion

- It appears as we move down the distribution chain prices seem to more than double.



Central Suppliers

Local Wholesalers

Retail Outlets

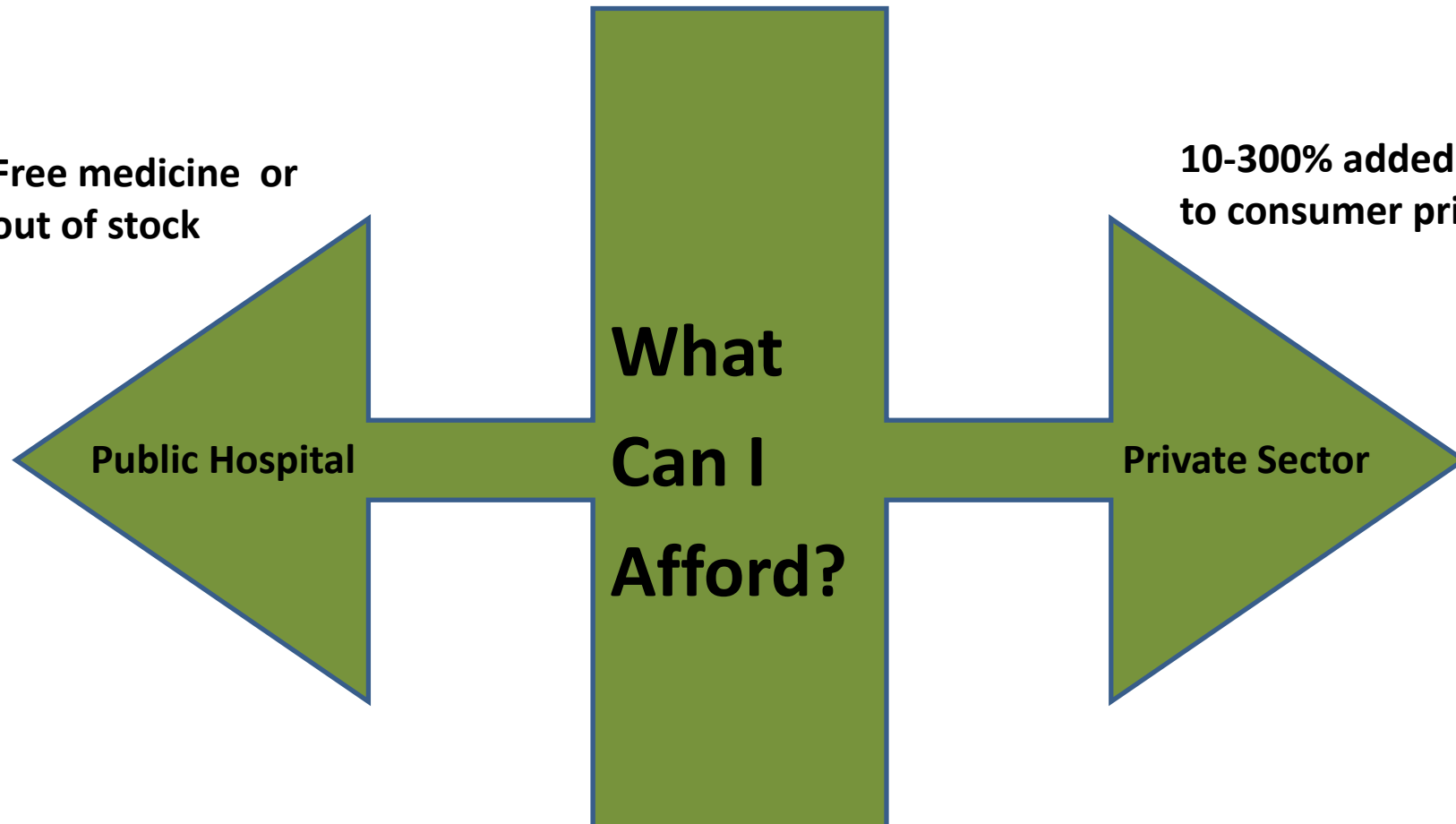
- Study shows that medicine prices are high in the private sector creating financial barriers for access and affordability to essential medicines



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Free medicine or
out of stock



10-300% added cost
to consumer price



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