



PHARMACEUTICALS EXPORT PROMOTION COUNCIL

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News / Story reproduced with thanks:- **Fierce pharma**

U.S. drug prices aren't sky-high, study finds

July 6, 2010 — 10:33am ET | By Tracy Staton

Direct link to the News/Story:-

http://www.fiercepharma.com/story/u-s-drug-prices-arent-sky-high-study-finds/2010-07-06?utm_medium=rss&utm_source=rss

What if that old story about U.S. drug prices beating all others was just that--a story? Well, a forthcoming study from the London School of Economics argues that in true apples-to-apples price comparisons, U.S. prices are at the most 25 percent higher than European prices, the *Financial Times* reports. And get this. Using this comparative method, U.S. prices are lower than Mexico's.

Here's how the study worked. Co-authors Panos Kanavos and Sotiri Vandoros looked at a collection of 68 leading branded meds, comparing European prices with U.S. prices, taking into account the discounts and rebates negotiated between drugmakers and health insurers in the U.S. Previous studies, they said, often compared negotiated European prices with U.S. factory prices, inflating the price differences.

These numbers are quite a turnabout from conventional wisdom in the U.S. Congress often cites a price differential of 150 percent between the U.S. and Europe. And PhRMA has been arguing for some time that European governments' price-cutting is a threat to innovation and R&D funding. But the *FT* reports that senior pharma execs informally confirmed the new study data--and points out that it mirrors info released recently by drug companies including AstraZeneca and GlaxoSmithKline.