Hygiene Products on Price Control

Why in news?

NITI Aayog is reportedly planning to create a new list of hygiene products to put under price control.

What is the proposal?

- The National List of Essential Medicines (NLEM) already contains 384 categories.
- Reportedly, the government is preparing a separate list for hygiene products.
- The new list is expected to have two groups.
- The primary category is expected to have a price control, and the secondary one may operate with trade margin limits.
- The items include commonly used hygiene products like soaps, adult diapers, sanitary napkins, hospital hand gloves, floor disinfectant, operation theater gumboots, etc.

What is the concern?

- The intention is to provide low-cost solutions, given the competition in such products.
- However, there is little rationale for this because price controls may force companies to discontinue low ranges.
- More worryingly, the quality of the lower-grade products may decline.
- E.g. in the case of sanitary napkins, the cheapest ones are already priced at Rs 3
- Many social enterprises are working in the field and selling napkins at Rs 1.5.
- So there is not much scope to introduce price caps here.

What could have been done?

- If there is a serious concern over hygiene, the government can always dispense sanitary pads free via its Asha and Anganwadi centres.
- E.g., it recently announced that it would sell them for Rs 1 at such centres
- A price cap here may not do much, but deter companies from creating products for the lower end of the market.

Source: Financial Express

Related News: Drug Price Control

Quick facts

National List of Essential Medicines (NLEM)

- Medicines and devices listed in NLEM must be sold at the price fixed by the government.
- On the other hand, those in the non-scheduled list are allowed a maximum annual price hike of 10%.
- The NLEM list is reviewed every 3 years to include or exclude drugs.

National Pharmaceutical Pricing Authority

- National Pharmaceutical Pricing Authority (NPPA) was constituted through a Government of India Resolution in 1997.
- It is an attached office of the Department of Pharmaceuticals (DoP), Ministry of Chemicals & Fertilizers.
- It works as an independent regulator for pricing of drugs, and ensures availability and accessibility of medicines at affordable prices.
- It implements and enforces the provisions of the Drugs (Prices Control) Order in accordance with the powers delegated to it.

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