

# How Your Medicine Gets More Expensive at Every Step

The hidden markups added before a medicine reaches you

YOU PAY THIS



## FINAL PATIENT PRICE

Up to 273%+ above base cost, before VAT

	Value-Added Tax (VAT)	+12%
	Retailer Markup	+5–13%
	Distributor / Wholesaler	+5–13%
	Import Costs, Taxes & Logistics	+20%
	Head Office to PH Subsidiary	+4.5–12.5%

MANUFACTURER'S BASE PRICE

₱ 1.00 (starting point)

TOTAL MARKUP ON IMPORTED MEDICINE

# 89–273%

above the manufacturer's original price — before VAT

## LAYER BY LAYER BREAKDOWN

- Head office → PH office:** Foreign pharma sets a higher "transfer price" for its Philippine branch **+4.5–12.5%**
- Import bundle:** Tariffs, freight, insurance, quality testing, and corporate taxes **+20%**
- Wholesale/distribution:** One dominant company controls ~80% of this layer **+5–13%**
- Retail markup:** Chain pharmacies add their margin; one company holds 60% of the market **+5–13%**
- Value-Added Tax:** The government adds 12% on top of the already-inflated price **+12%**

### ⚠️ LOCALLY MADE DRUGS ARE EVEN WORSE

Distributor markup	<b>up to 355%</b>
Retailer markup	<b>up to 117%</b>
Reason	98% of ingredients still imported



Branded medicines in the Philippines cost **up to 30 times** the international reference price. Even generics run **10 times higher** than the global benchmark.

A 2019 survey cited in **House Bill 05956** found **99% of Filipinos** do not buy all their prescribed medicines because of the cost.