Civil society calls for abolishing sales tax on medicines in Jordan

Health Action International and Jordanian civil society organisations are calling upon the Jordanian government to repeal the sales tax on medicines in order to improve treatment affordability for its citizens. A fixed sales tax of 4% is applied to all medicines. This is a controversial piece of legislation in a country which has very high prices for originator brands and generics in the private sector.

In the latest attempt to urge government action, the Jordan Pharmacists Association (JPhA) has threatened to close pharmacies across the country for four hours on July 19, unless the government agrees to repeal the sales tax. Dr. Mohammed Al Rawashdeh, Director of the Jordanian Food and Drug Administration (JFDA), has expressed his support for rescinding the sales tax on medicines in a media statement in November 2008 and has called for consolidated efforts to put pressure on the government to scrap this legislation.

Health Action International has long supported the removal of sales tax on medicines. At a workshop entitled Towards Equitable & Affordable Medicine Price Policies in Jordan, held in 2007 and convened by HAI and the JFDA, a diverse range of stakeholders from the public, private and non-profit sectors jointly recommended the removal of sales tax on medicines.

At this crucial time when a wide range of stakeholders in Jordan are stepping up pressure on the government to abolish the sales tax on medicines, HAI and Jordanian civil society groups have sent a position paper (English and Arabic) to policy-makers and the media calling for the repeal of sales tax on medicines. We believe that removing sales tax is one of a number of measures needed to meet the government’s commitment to guarantee its citizens’ right to health, including access to medicines.

The civil society position was reported in an article in the Al-Ghad newspaper on 23 July 2009 and in the Jordan Times on 27 July 2009.