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Pharma stocks head south as Trump forces them to display drug prices in TV ads

Pharma stocks around the world headed lower on Thursday after President Donald Trump warned drugmakers they will have to list the price of their drugs in television adverts.

Companies will have to include the price for any medication that costs more than US\$35 for a month's supply or the usual course of treatment.

"If drug companies are ashamed of those prices - lower them!" Trump tweeted on Wednesday afternoon.

Big announcement today: Drug companies have to come clean about their prices in TV ads. Historic transparency for American patients is here. If drug companies are ashamed of those prices—lower them!

— Donald J. Trump (@realDonaldTrump) May 8, 2019
Pfizer Inc (NYSE:PFE), AbbVie Inc (NYSE:ABBV) and Gilead Sciences Inc (NASDAQ:GILD) all dropped between 1.5-2% on the back of the news.

In the UK, shares in AstraZeneca PLC (LON:AZN) and GlaxoSmithKline PLC (LON:GSK) also fell.

Lowering drug prices has been a key focus for Trump and his administration, which last year set out their blueprint for bringing down prices of prescription drugs.

Two bills were passed by US politicians on Wednesday aimed at making cheaper generic drugs more available, with no votes against.

"Requiring the inclusion of drugs' list prices in TV ads is the single most significant step any administration has taken toward a simple commitment: American patients deserve to know the prices of the healthcare they receive," said health & human services secretary Alex Azar.

Experts have warned that such adverts may scare patients away from drugs they could actually afford with their health insurance coverage.

Lobby groups for the pharma industry said the new rule raises First Amendment concerns, as well as challenges implementing it within 60 days.

Price: 35.45

Market Cap: \$196.99 billion

1 Year Share Price Graph



October 2019 April 2020 October 2020

Share Information

Code: PFE

Listing: NYSE

52 week	High	Low
	40.93	27.89

Sector: Pharma & Biotech

Website: www.pfizer.com

Company Synopsis:

Pfizer are committed to applying science and our global resources to improve health and wellbeing at every stage of life. They strive to provide access to clinically effective and affordable medicines and related healthcare services to the people who need them.

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