BioSpectrum the business of Bio & Health Sciences

Delhi Government should fix margins on equitable base: MTaI

04 April 2019 | News

The Report of The Committee of High Trade Margins in the Sale of Drugs suggests that profit margin should be the difference between the Price to Trade

The Delhi Government is working on a proposal to limit the mark-up on drugs and medical devices like consumables and implants to up to 50% over and above the procurement price for hospitals.

Medical Technology Association of India (MTaI) in a statement said Delhi Government's plan to curb prices of drugs and medical devices in hospitals will be effective if an equitable base is fixed to reach the acceptable margin of 50%.

Pavan Choudary, MTaI Chairman and Director General said, “We appreciate the intention to curb profiteering in healthcare space. We support the mark-up of 50% over and above the procurement cost. The proposal should be implemented in compliance with the recommendations mentioned in the Report of The Committee of High Trade Margins in the Sale of Drugs, 2016 to create a level-playing field for all stakeholders including the medical device companies.”

Pavan Choudary added, “We support undiluted implementation of the recommendations as that would provide for far greater affordability without compromising the industry's ability to invest in innovation and training of healthcare professionals.”

The Report of The Committee of High Trade Margins in the Sale of Drugs suggests that profit margin should be the difference between the Price to Trade (the price at which the manufacturer or marketing company sells the drug to the distributor or stockist) and the MRP. The report adds that “the government should consider capping the overall trade margins, thus, giving a level playing field to every trade channel”.