

AiMeD terms demand of global MedTech companies on pricing as misleading

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New Delhi: Reacting to a press statement by the global multinational companies asking one-time increase of upto 18% in MRPs of medical devices, including stents and orthopedic knee implants, Mr Rajiv Nath, Forum Coordinator of Association of Indian Medical Device Industry (AiMeD) expressed his resentment on the demand.

Mr Nath in a statement to media mentioned that it is shocking to see that they on one side state that trade margins are excessive and need to be rationalized and capped and at the same time they wish MRP on medical devices to be increased by 18% for all devices. He said that the global companies (whom he termed as importers lobby) are misleading government against its mission of making healthcare affordable in India.

“If trade margins are not rationalized including the importers margin the consumers will suffer and if MRP is increased then also the consumers will suffer as the MRP is already excessively high. “Importers lobby is least concerned about making healthcare affordable for Indian consumers and Indian Medical Device Industry but thinks only for protecting their own

As per Mr Nath, government doesn't control import price or importers price to hospitals. “So what's stopping the importers to increase that to compensate themselves for cost increase?,” he asked, “The reason behind it is the competition from domestic manufacturers whose prices are not up which importers wish to counter by keeping retailers and traders satisfied with higher remunerative MRP and trade margins.”

Mr Nath quoted the recent estimates of the National Pharmaceutical Pricing Authority (NPPA) which said patients across the country have saved around Rs 15,000 crore under the government's initiative of ensuring affordable, quality medicines for all. “Much more can be saved by patients if Niti Aayog and PMO act on AIMED's recommendations on price controls. The question Parliamentarians should be asking the government is what's the opportunity cost of higher costs borne by patients for not acting on AIMED's recommendations to cap trade margins to 75% over the import landed price and Indian manufacturers ex-factory price.

Mr Nath also welcomed the induction of the new NPPA Chairperson, Ms Shubhra Singh. “We hope she will have the freedom to provide leadership to NPPA as done by Mr Bhupendra Singh and usher in reforms and much needed amendments to DPCO as currently it doesn't address huge price disparity among similar medical devices and in fact increases it year over year.”

“There is an urgent need for an integrated and calibrated development policy to put 'Make In India' initiative in medical devices sector in top gear and reduce high import dependency on foreign made devices in order to promote indigenous manufacturing of drugs and devices which would go a long way in making healthcare affordable,” concluded Mr Nath.