

**GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF PHARMACEUTICALS**

LOK SABHA
UNSTARRED QUESTION NO. 681
TO BE ANSWERED ON 19th December, 2017

Trade Margins on Medical Devices

681. SHRI ANANDRAO ADSUL:
SHRI SHRIRANG APPA BARNE:
SHRI ADHALRAO PATIL SHIVAJIRAO:
SHRI DHARMENDRA YADAV:
DR. PRITAM GOPINATH MUNDE:
SHRI VINAYAK BHAURAO RAUT:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether the National Pharmaceutical Pricing Authority (NPPA) had capped stent and knee implant prices after studies by it revealed huge trade margins and if so, the facts thereof;
- (b) whether the American medical device companies has alleged that the Drug Price Control Order discriminates in favour of drugs and devices developed in India and the department of pharmaceuticals also promotes the growth of domestic drug and device industries;
- (c) if so, the response of the Union Government thereon;
- (d) whether no Government support exists in the country for domestic manufacturers of drug and medical devices on the lines of the 'Buy American' policy in the USA and if so, the details thereof; and
- (e) the steps taken by the Government to promote and save the domestic manufacturers and reduce the import bill?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS;
MINISTRY OF SHIPPING AND MINISTRY OF CHEMICALS AND FERTILIZERS
(SHRI MANSUKH L. MANDAVIYA)**

- (a): National Pharmaceutical Pricing Authority (NPPA) published trade margin involved in the coronary stents and orthopedic knee implants on their website before price cap. The trade margin of coronary stents before price cap was upto 654% and the trade margin for knee implants was upto 449% before price cap.
- (b): As per provision of the Drugs (Prices Control) Order, 2013 (DPCO 2013), no distinction is made between the importer and manufacturer.
- (c): In view of (b) above, does not arise.

(d): The Government has issued Public Procurement (Preference to Make in India), Order 2017 on 15.06.2017 as part of the policy of the Government of India to encourage 'Make in India' and promote manufacturing and production of goods and services in India. This Order allows preferential purchase of Medical Devices in Government procurement.

(e): Earlier, Government vide notifications number 4/2016-Customs and 5/2016-Customs dated 19.01.2016 has rationalized the customs duty structure for medical devices to promote domestic manufacturing.
