

Lebanon, December 2005

In response to the findings of a [price survey](#) undertaken in 2004 by Dr Rita Karam, and price comparisons for 1000 products with Jordan and Saudi Arabia, the government of Lebanon has announced that it is reducing distribution charges in the private sector (medicines are free to patients in the public sector). They estimate the effect will be retail price reductions of 3-15%.

The bar chart below shows that in 2004 the following fixed charges applied to all medicines irrespective of value - shipping and insurance 7.5%, customs and clearance 11.5%, importer mark-up 10% and pharmacist mark-up 30%. The cumulative effect of these charges was 71.4%.

The new charges vary with the value of the medicine:

FOB value of medicine USD	Shipping Insurance	Customs Clearance	Importer Mark-up	Pharmacist Mark-up	Cumulative % Mark-ups
A \$ 0-10	6%	10%	10%	30%	66.73%
B \$ 10-50	4.5%	8.5%	10%	30%	62.13%
C \$ 50-100	3.5%	7.5%	9%	27%	54.02%
D \$ >100	2.5%	6.5%	8%	24%	46.19%

