

Centre looks at pharma buyouts

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New Delhi, Feb. 23: The government on Wednesday said that it has started inter-departmental consultations to look into concerns raised on the takeovers of Indian pharmaceutical firms by multi-nationals and its possible impact on drug prices.

Concerns were expressed that the recent takeover of Indian pharma companies by multi-nationals would result in the MNCs gaining market supremacy, affecting the prices of generic (off-patent) drugs, the minister of state for commerce and industry, Mr Jyotiraditya Scindia, said.

"The government has initiated inter-departmental consultations on how best to address this issue," Mr Scindia said.

The domestic pharma companies, spearheaded by

the Indian Drug Manufacturers Association and Indian Pharmaceutical Alliance, had raised concerns that the takeover of Indian companies by foreign firms could lead to a situation of overpricing of drugs and marginalisation of homegrown firms.

This view was also endorsed by the health ministry.

In 2008, Daiichi Sankyo had acquired a majority stake in Ranbaxy Laboratories, while Abbott Laboratories bought Piramal Healthcare's domestic formulations business last year.

The department of industry policy and promotion (DIPP) had sought stakeholders comments on its discussion paper on compulsory licencing. — PTI

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