

Pharma FDI: Panel for urgent review

JOE C MATHEW
New Delhi, 22 November

AN expert group, set up by the Planning Commission, has called for an "urgent" reversal of the current position on foreign direct investment in the pharma sector. The panel wants foreign drug multinationals to bring down their stake in the Indian subsidiaries to 49 per cent, even as another committee—headed by Planning Commission member Arun Maira—had recently sought the continuance of 100 per cent FDI in the pharmaceutical sector.

The Commission's high-level expert group, or Help, is headed by Srinath Reddy, president, Public Health Foundation of India. Among its 17 members figure a Planning Commission representative: N K Sethi, who is former senior advisor of the Commission. The other Help members include representatives from the health ministry besides public health organisations and civil society groups.

The report, to be submitted to Deputy Chairman of Plan-

WHAT THE PANELS SAY

EXPERT GROUP

AN EXPERT group or Help, set up by the Planning Commission, wants foreign drug multinationals to bring down their stake in the Indian subsidiaries to 49 per cent

THE REPORT of this group, headed by Public Health Foundation of India President Srinath Reddy, talks about retaining predominance of Indian pharma firms and preserving self-sufficiency in drug production

IT IS against 100 per cent FDI in pharmaceuticals and been working to prepare a universal healthcare model that is accessible to all citizens

ning Commission Montek Singh Ahluwalia on November 28, talks about an urgent need to "revisit India's FDI regulations to amend the present rules of an automatic route of 100 per cent share of foreign players in the Indian industry to less than 49 per cent, so as to retain predominance of Indian pharmaceutical companies and preserve self-sufficiency in drug production".

The Maira Committee—formed in June this year—had

MAIRA COMMITTEE

ANOTHER COMMITTEE headed by Planning Commission member Arun Maira had recently sought the continuance of 100 per cent FDI in the pharmaceutical sector

THE PANEL had the mandate to see the impact of FDI in pharmaceuticals in the context of increasing mergers and acquisitions in the domestic drug industry

FORMED IN June this year, the committee also had the mandate to turn India into a global pharmaceuticals manufacturing and research hub

the mandate to see the impact of FDI in pharmaceuticals in the context of increasing mergers and acquisitions in the domestic drug industry and the need to turn India into a global pharma manufacturing and research hub. On the other hand, the Help, which is against 100 per cent FDI in pharmaceuticals, has been working for more than a year to prepare a universal healthcare model that is accessible to all citizens of the country.

The Reddy panel also wants to strengthen the capacity of the public sector for the manufacture of domestic drugs and vaccines. The "central and state governments should assist and revive public sector units that manufacture generic drugs and vaccines, limit the voting rights of foreign investors in Indian companies, and take other measures to retain and ensure self-sufficiency in drug production", it has recommended.

Policy.