



## PHARMACEUTICALS EXPORT PROMOTION COUNCIL

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### **Lupin too fears MNCs buying pharma cos will raise drug prices**

*M&A deals should not affect market, says Salman Khurshid.*

Direct link to the News/Story:-

<http://timesofindia.hotklix.com/Hotklix/link/News/Business/Lupin-too-fears-MNCs-buying-pharma-cos-will-raise-drug-prices>

New Delhi, June 5 Pharmaceutical firm Lupin has backed the Health Ministry's position that the recent trend of drug multinationals acquiring Indian majors could have an impact on the availability of cheaper medicines in the country.

Responding to an e-mail questionnaire, Mr Shakti Chakraborty, Group President, India Region Formulations, Lupin Ltd, said: "We believe that there could be an eventual increase in the pricing of drugs and the same could take place over the next few years, where MNCs would end up pushing drugs at a steeper price, leveraging their new found ground and control over the drug pipeline in the Indian pharmaceutical market as a result of these acquisitions.

"This does not augur well for the Indian common man, which will be compelled to pay more for his healthcare needs. This is the trend that we have witnessed in most markets where MNCs have replaced existing drugs with their own expensive versions."

In the past few years, some of the largest Indian drug companies have gone into the hands of foreign pharmaceutical giants.

Recent acquisition

These include the recent acquisition of Piramal Healthcare by Abbott Labs and the buyout of majority share in Ranbaxy by Japanese drug major Daiichi Sankyo. Other large buys include Shantha Biotech by Sanofi-Aventis and Dabur Pharma by Fresenius Kabi.

Recently, the Health Minister, Mr Ghulam Nabi Azad, called for a meeting with Indian drug companies to find out the impact of such deals on the availability of cheap drugs.

Health Ministry sources said the concerns were due to the existing price differentials on the same product being sold by an Indian generic and an MNC.

Meanwhile, the Corporate Affairs Minister, Mr Salman Khurshid, told Business Line that his Ministry was concerned about such deals from a general principle on competition.

"Be it in pharma, banking or sports, our concern is that there is a broad principle that you must fit into. There is a general principle that must apply and, that is, M&As have to be looked at to ensure that they do not affect the market," he said.

"I think it is time that we sat back and asked ourselves a very important question — that when there is a movement towards adopting generics and replacing existing over-priced drugs with them in the US, Japan, and most large markets in the world, then why not ensure that quality drugs reach every Indian household at the right price," added Mr Chakraborty.