

## FDI figures double for Indian pharma

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Foreign Direct Investment (FDI) in the pharma sector has more than doubled to \$1.26 billion during April-December of the ongoing fiscal year (2013-14) amid concerns over increasing acquisitions of domestic firms by multinationals.

FDI in drugs and pharmaceuticals was at \$589 million in the April-December for period of 2012-13, according to the latest data from the Department of Industrial Policy and Promotion (DIPP).

Faced with a rush of multinationals to acquire Indian pharmaceutical companies, the Commerce and Industry Ministry had proposed tightening of norms for foreign investors in the existing firms, but the proposal was rejected by the Union Cabinet.

The department had proposed the norms to arrest the spurt in pharma MNCs taking over domestic firms that make "rare and critical" medicines.

As per estimates, over 96 per cent of the total FDI in the sector between April 2012 and April 2013 has come into brownfield (existing) pharma.

The government had cleared Rs 5,168-crore proposal of US-based pharma firm Mylan Inc's to acquire Indian generic drugs company Agila Specialties.

India allows 100 per cent FDI in pharma sector through automatic approval route in the new projects, but foreign investment in the existing companies are allowed only upon approval by the Foreign Investment Promotion Board (FIPB).

Other sectors which received high FDI during the 9-month period of the current fiscal year include services (\$1.59 billion), automobile (\$871 million), construction (\$914 million) and chemicals (\$490 million).

Overall, FDI into the country dropped 2 percent during the period to \$16.56 billion.