

Status quo maintained for pharma FDI in India

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Bangalore: The Government of India announced on December 3, 2012, that all foreign investments in domestic pharma companies would be allowed only after they receive approval from the Foreign Investment Promotion Board (FIPB).

This move has been taken in order to ensure availability of medicines at affordable prices. FIPB will have its say in all issues related to foreign investments in domestic pharma, until the Competition Act is amended to enable the Competition Commission of India (CCI) to vet such proposals. However, the finance ministry said that cases involving FDI beyond 49 percent should be cleared only by the FIPB.

The decision was taken by the government at a high level meeting, chaired by Prime Minister Dr Manmohan Singh. The meeting was also attended by finance minister Mr P Chidambaram, commerce and industry minister Mr Anand Sharma and health minister Mr Ghulam Nabi Azad.