

FIPB approves investments worth \$143.43 mn

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Singapore: The Foreign Investment Promotion Board (FIPB) in India cleared six investment proposals in the pharmaceutical sector on July 29. The total worth of the projects that were cleared is \$143.43 million.

The Indian industry department and local drug makers have been demanding clarity on the country's foreign direct investment (FDI) policy for over a month now and only last month, the FIPB cleared seven proposals related to the sector.

Many individuals in the Department of Industrial Policy and Promotion (DIPP) had earlier raised concerns over increasing number of multinationals acquiring domestic pharma companies and very few investments were being made in creation of production facilities in India.

The proposals approved at the meeting include that of Smith & Nephew, Globion India, Calyx Chemicals and Pharmaceuticals, Fresenius Kabi, Singapore, Lotus Surgical Specialities and Celon Laboratories.

Meanwhile, the health, finance and commerce ministries in the country are still deciding on conditions to be imposed on foreign direct investments in the pharmaceutical sector.

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Currently India permits 100 percent foreign investment in the pharmaceutical sector through the automatic approval route for new projects but foreign investment in existing drug makers are allowed only after FIPB's approval.

The DIPP had earlier decided that any multinational firm buying a stake higher than 49 percent in an Indian pharma company will maintain the same level of investment in research activities and production of essential medicines for five years and is now seeking more riders to be included in the policy fearing adverse impact on the domestic industry.